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Sub-Saharan Africa Report



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6 February 1986

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INTER-AFRICAN AFFAIRS

DETAILS ON SECURITY, DISARMAMENT MEETING GIVEN

London AFRICAN DEFENCE JOURNAL in English Nov 85 pp 52-53

[Article by Letotoi Apendi Pela]

[Text] The first Regional Conference on Security, Disarmament and Development in Africa was held in Lome (Togo) last August 13th to 15th. The conference was sponsored by the OAU in cooperation with the United Nations Secretariat. This innovative forum for Africa was aimed at providing an opportunity for Africans to consider the interrelation between security, disarmament and development at a time when African economies are seriously depleted. At the same time, however, certain specialists have clearly stated that « the African continent is underarmed in relation to the threats that weigh upon it, but overarmed in relation to its resources. »

The OAU conference of heads of state and government adopted during its 20th summit meeting the text of resolution AHG/Res.126 (XX), which states that they are «deeply concerned with the harmful effects of the arms race and its negative impact on development policies.»

Africans therefore turned to another forum to attempt to provide answers to the following questions. Is there an arms race in Africa? If military expenditures were to be reduced, what would the impact be on development? What exactly is meant by disarmament? And if it is true that military expenditures service legitimate African needs in terms of security and defence, where precisely do these threats come from and are the measures taken effective in countering them?

Such questions do not, unfortunately, spawn clear cut answers, particularly when a conference such as this draws only moderate interest and participation: nine ministers, a handful of ambassadors and top level civil servants. A total of forty-five delegations and two liberation movements were represented. This despite the fact that

barely a month earlier the OAU's twentieth summit had voted resolution AHG/Res.138 (XXI) in which it recommended that all member countries' ministers make the trip to Lome. President Eyadema was reported so let down by this weak participation that he declined to personally open the conference. The turnout was all the more disappointing when one considers the number of ministers falling over one another to arrive at functions held in Addis Ababa, a much less amiable city, except perhaps for the charming smiles of the throngs of streetwalkers. What then was the outcome of this gathering?

A meeting of experts

The conference opened with a meeting of experts. Experts in what, no one seemed to quite know. There were university professors, researchers, diplomats and professional military men. For two days, August 11th and 12th, they listened to papers presented by Ambassador Adeniji of Nigeria on the «Concept of Disarmament within the African context» (which could have been retitled the African conception of disarmament), followed by a report by former Nigerian president General Obasanjo on «Military expenditures in developing nations» and finally a presentation by Norwegian ambassador Dr Lumbo on «The relationship between disarmament and development».

It cannot honestly be said that the discussions were animated, as the experts took great care to keep within the policy lines of their respective governments. A number of recommendations were nevertheless adopted, as follows:

1. Creation of a regional African center in disarmament;
2. The necessity for African researchers and scientists to submit suggestions regarding regional cooperation concerning

peaceful applications of nuclear research.

3. The need for African governments to take into account the interaction between security and development and to reduce their military expenditures accordingly.

But were these recommendations sufficient to prepare for the conference proper the following day?

Ministerial Conference

On August 13th as scheduled, the several ministers attending and other delegates present in Lome took over from the experts. The speeches pronounced during the opening session clearly announced the colours. One speaker after another declared that while problems of security and disarmament had long remained passive questions for African nations, these countries now felt that whether they wanted to or not they had to take an interest in the matter due to its importance for the development of East-West relations. If indeed a holocaust resulted from a conflict begun by a country in the Northern hemisphere, the results would certainly not spare nations in the Southern hemisphere. What's more, the arms race continues to drain economic resources in developing nations, thus limiting their aid to African countries facing continued economic crises.

The first speakers also defined security as a matter that went beyond simply the prevention of armed conflicts and military defence. They emphasized the fact that nations were arming themselves beyond their means since they remained disunited against their veritable enemy, South Africa, and because national policies based on injustice, privation of liberty and human rights, leading to revolts, tribal and ethnic conflicts gave rise to extensive disagreement among the countries on the continent. The veritable crisis, they went on, was one of national integration and political legitimacy. Finally, they listed ideological rivalries as a key source of disunity among Africans. The working session was scheduled for the afternoon, with the conference moving to the Salle Concorde of the Sofitel Hotel (the morning session having been held in the RPT room). In order to facilitate discussion, the OAU secretariat had prepared a number of documents corresponding to the three subjects of discussion decided upon.

The first subject was «The impact of disarmament on development within the African context». This subject covered the African conception of disarmament and the relationship between disarmament and development. The second subject was «Regional security problems in Africa». Here, the participants were to list the threats weighing against security for African nations, ranging from interference by major

powers, the destabilising effects of the militarist policies practised by the South African regime, whose ability to manufacture nuclear arms is now well established, to ethnic, tribal or ideological rivalries between African nations themselves. Also listed were border disputes and problems related to the dictatorship-like nature of a number of African regimes, resulting in opposition, revolts, revolutions, civil wars and coup d'états.

The third subject was: «The role of international, regional and sub-regional organisations in the promotion of security, disarmament and development.»

This subject provided an opportunity to examine the role of the United Nations, to evaluate the success of the OAU with regards to its effectiveness in resolving conflicts, and to take a look at the contributions made by such sub-regional groups as the ECOWAS, the CEAO, ANAD, the ECCAS and the ZEP.

A summary of these three days of discussions was made in the Lome declaration on Security, Disarmament and Development in Africa. This declaration was followed by a programme for action, which included the following major points.

Lome declaration on Security, Disarmament and Development in Africa

The declaration contains a preamble and 16 paragraphs. The conference recognizes that there is close interdependence between the objectives of security, disarmament and development, but considers that for Africa, security must remain a priority goal. This is because security is a prior condition necessary for socio-economic development. Security must be taken to signify not only security of borders and the prevention of armed conflicts, but also the socio-economic development of justice, equality and human dignity. The conference then defined disarmament as the joint commitment by countries in the region to eliminate rivalries between nations, along with all the various causes behind civil wars, revolts and coup d'états, and to seek the peaceful resolution of all differences. This, plus a unified approach to confront the threat from South Africa and any other menace from outside the continent. While a reduction in military expenditures is considered necessary -- especially since these outlays constitute a burden that is increasingly difficult to support by anemic African economies -- these cutbacks could only be implemented following regional and sub-regional agreements on military assistance and non-aggression. The conference states, however, that the African situation cannot be isolated

from the general international climate, a climate that depends largely on East-West relations, especially relations between the two superpowers. The conference thus encourages these two countries to continue the process of a thaw in their relations and further the negotiations in progress. It also emphasized the importance of promoting peace, confidence and relations based on friendship and cooperation. To these ends, mechanisms and structures designed to ease inter-African tensions should be created or strengthened. And as the racist minority regime of South Africa and its policy of apartheid constitutes the major cause of insecurity, aggression and instability on the continent, the conference reiterated its determination to eliminate this regime at all costs.

The conference then adopted the following programme:

Programme of action for peace, security and cooperation in Africa

After having noted that this first meeting provided an invaluable opportunity for Africans to put forth their viewpoints on disarmament and other matters that affect both the present and future of the continent, the conference launched a broad appeal. This appeal included a call to all African nations to take concrete unilateral, bilateral, sub-regional and regional steps designated to impact on peace, cooperation and internal and inter-African solidarity. It also contained an appeal to African nations to keep the OAU informed of all military agreements signed between their country and third-party nations. Finally, it called on all African scientists, researchers and university community members to develop a nuclear research programme for Africa.

The conference then requested that the Secretary General of the OAU propose, in conjunction with the United Nations, measures aimed at improving cooperation, coordinating military defence in Africa and preventing the transfer of weapons to opponents of African regimes. It also made a request to the Secretary General of the United Nations to create a United Nations regional center for peace and disarmament in Africa in Lome.

The conference next recommended that the OAU summit meeting of heads of state and government proclaim August 15th to be African Peace and Disarmament Day.

Has Africa been disarmed before it was ever armed, as certain detractors claim?

It was vitally important that an African forum take part in the debate that has so shaken the countries of the Northern hemisphere, as regards the weapons race, disarmament and the threat to the survival of humanity posed by nuclear weapons. While the results of this first conference might appear meager, the important thing is that an opportunity was finally provided for discussion of these primordial matters. At a time when Africa finds itself in the midst of an unprecedented economic crisis, it is more than useful to re-examine the scope of military expenditures, particularly funds that go to purchases of military equipment. While it remains totally legitimate for countries to arm themselves in order to defend their territorial integrity and their institutions against a neighbor such as South Africa or against interference on the part of major world powers, the time has come to speak out against the use of armed force to support dictatorial and illegitimate regimes whose power does not result from a national consensus. While the military expenditures of African nations remain miniscule in comparison with those of countries on other continents, certain of these weapons serve only to promote the prestige of some leaders or personal tribal or ethnic ambitions. They serve only to further the ideological rivalries that will forever remain fruitless for the African people. The conclusion is clear: a reduction in military expenditures must be sought. This need is all the more pressing as the wars that break out on the continent pitch African nations against one another, against their own people, and not against their true enemy, South Africa.

The Lome Conference did indeed serve a number of needs. It defined the causes of insecurity, designating the true enemies of the African people and calling for a more effective role to be played by regional and sub-regional organisations. It made a clear appeal for peace, cooperation and solidarity in Africa. And it called for deep reflection regarding the nature of African regimes. All of these aspects are of undeniable importance, even though many will note only the creation in Lome of the African Center for Disarmament.

Letotoi Apendi Pela

- 1.ECOWAS - Economic Community of West African States
- 2.CEAO - West African Economic Community
- 3.ANAD -- Non-aggression and mutual defence assistance agreement
- 4.ECCAS -- Economic Community of Central African States
- 5.ZEP -- Preferential trade zones

/13104

CSO: 3400/834

INTER-AFRICAN AFFAIRS

POSSIBLE OVERSUBSCRIPTION ON NIGERIAN ECOBANK SHARES REPORTED

Lagos BUSINESS TIMES in English 23 Dec 85 p 24

[Article by Ngozi Ikeano]

[Text] The Nigerian portion of the ECOBANK share capital allocated to the country, may be over-subscribed, findings by the BUSINESS TIMES have revealed.

ECOBANK is a financial institution owned by ECOWAS citizens with the Federation of West African Chambers of Commerce (F.W.A.C.C.) as the pillars and brains behind the project. The objective of the bank is to contribute to the financial, economic and social development of ECOWAS countries.

ECOBANK Transnational Incorporated (the parent company was incorporated last September in the Republic of Togo which is where the Bank's headquarters is hence located. Subsidiaries of the ECOBANK are to be established in all 16-memberstates of ECOWAS. However, obviously, as a result of the disparities in economic development within the community, the sponsors decided that the subsidiaries should be established in Nigeria and Ivory Coast initially with two others in Togo and Senegal to follow later.

Following the incorporation of ECOBANK in Togo, the sponsors last month invited interested Nigerians to apply for subscription to the Nigerian portion of the Bank's capital. The application for subscription closed last week, December 15, 1985. The authorised capital of ECOBANK is \$100 million (about ₦95.24 million) divided into 100,000 shares at one thousand dollars (about ₦952) each. Some 30 per cent of the total capital is allocated to Nigeria and the first call is for 50 per cent of the capital, that is \$15 million (about ₦14.28 million) for Nigeria.

Sources close to ECOBANK sponsors in Nigeria told this correspondent that the response for subscription has been "fantastic". At the Commerce House, Headquarters of the Nigerian International Bank (the receiving bankers where the Nigerian subscription is being held in trust for the sponsors) in Lagos, both Mr. Khan the bank's financial controller and Mr. Ajukwu of the treasury department were not available to answer BUSINESS TIMES enquiries on response to ECOBANK capital subscription. However, a source from the bank confirmed that the response has been "very favourable".

Our sources envisage that there would be an over-subscription. BUSINESS TIMES findings also show that the sponsors intend to increase the call should there be an over-subscription. It was also gathered that the ECOBANK sponsors had anticipated that there would be an over-subscription of the Bank's capital in certain of the member-states and under-subscription in some other countries, they intend to transfer excess subscriptions from countries with an under-subscription to achieve a balance.

According to our findings, it is envisaged that out of the \$50 million (about ₦47.62m) of the initial ECOBANK Transnational Incorporated's paid-up capital, about \$14 million to \$15 million (about ₦13.3 million to ₦14.28 million) would be required to capitalize the four subsidiaries in Nigeria, Ivory Coast, Senegal and Togo. According to the plan ECOBANK would have its own resources permitting it to grow into a bank with footings of some \$600 million (about ₦571.43 million) before a further portion of its authorised capital is offered for subscription.

ECOBANK Nigeria is expected to commence operations sometime next year. How soon next year, depends on when the sponsors are able to conclude the preparatory work, like getting a banking licence, acquire the premises for it, hire and train staff, etc. ECOBANK Nigeria as a subsidiary of ECOBANK Transnational Incorporated, the parent company, will provide commercial banking services when operational.

Subscription to the ECOBANK capital itself is about one year behind schedule, according to our findings for according to the original schedule, subscription to the first 50 per cent of the Bank's capital should have commenced in December, 1984. Our source attributes the delay to the time it took to finalise preparatory work leading the Bank's incorporation in Togo.

...and ECOWAS reduces own shares

Meanwhile, the BUSINESS TIMES has learnt that the ECOWAS organization has intimated that it would only be able to subscribe to 10 per cent of the BANK's capital.

The sponsors planned to allocate 20 per cent of the Bank's shares to the community through the ECOWAS Fund.

The decision of the ECOWAS to take up lesser shares in the Bank seems, according to BUSINESS TIMES findings, to have gone down well, with the ECOBANK sponsors who are conceiving it as a private international bank, with little government participation.

It was not immediately known how far the ECOWAS decision would affect the percentage allocation of the Bank's capital to member-states which had been worked out (see table).

It is planned by the sponsors that at least 75 per cent of the Bank's capital would be in private hands at all times.

ECOBANK — PROPOSED ALLOCATIONS OF HOLDINGS TO EACH COUNTRY

Allocation :			Calls for Payment :		
	Million US Dollars	25% On Application	25% On Allotment	50% Six Months After Allotment	%
1. ECOWAS FUND	10.00	2.50	2.50	5.00	20.0%
2. BENIN	1.75	0.4375	0.4375	0.8750	3.5%
3. BURKINA FASO	2.00	0.5000	0.5000	1.0000	4.0%
4. CAPE VERDE	0.50	0.1250	0.1250	0.2500	1.0%
5. COTE D'IVOIRE	5.00	1.2500	1.2500	2.5000	10.0%
6. GAMBIA	0.50	0.1250	0.1250	0.2500	1.0%
7. GHANA	1.50	0.3750	0.3750	0.7500	3.0%
8. GUINEA BISSAU	1.00	0.2500	0.2500	0.5000	2.0%
9. GUINEE	0.50	0.1250	0.1250	0.2500	1.0%
10. LIBERIA	1.75	0.4375	0.4375	0.8750	3.5%
11. MALI	1.00	0.2500	0.2500	0.5000	2.0%
12. MAURITANIA	0.50	0.1250	0.1250	0.2500	1.0%
13. NIGER	1.75	0.4375	0.4375	0.8750	3.5%
14. NIGERIA	15.00	3.7500	3.7500	7.5000	30.0%
15. SENEGAL	3.50	0.8750	0.8750	1.7500	7.0%
16. SIERRA LEONE	1.75	0.4375	0.4375	0.8750	3.5%
17. TOGO	2.00	0.5000	0.5000	1.0000	4.0%
TOTAL	50.00	12.50	12.50	25.00	100%

/12828

CSO: 3400/860

ANGOLA

BRIEFS

2 BRAZILIAN MISSIONARIES KIDNAPPED--Luanda, 11 Jan (ANGOP/PANA)--Two Brazilian missionaries were recently kidnapped en route from Kalukembe to Lubango (Huila Province), by the UNITA, a source from the Baptist Evangelist Church told ANGOP. According to the source, Myriam Horvath and Margarida Horvath both Brazilians were captured with two other Angolan women, after an attack on their car. Source also affirmed that five other people were killed, among them a nurse (specialist in leprosy) and two children, and others were seriously wounded during the attack. [Text] [Dakar PANA in English 1536 GMT 11 Jan 86] /8309

CSO: 3400/843

GHANA

FINANCE SECRETARY COMMENTS ON CURRENCY, IMF

AB112200 Accra Domestic Service in English 2000 GMT 11 Jan 86

[Text] Dr Kwesi Botchway [secretary for finance and economic planning] has again explained the exchange rate policy of the government. Speaking in an interview with the GBC [Ghana Broadcasting Corporation] today, he said this policy is guided by the need to encourage the export sector by giving it incentives, and thus making exporters earn remunerative incomes to encourage remittances from Ghanaians abroad through the banking system instead of through the black market, encourage the use of Ghanaian products, and remove unearned and untapped profits of traders who deal in locally manufactured goods. Dr Botchway said, however, that the government does not regard the black market rate as the correct value of the cedi, although it is an indication of the dissatisfaction of the public with the official rate. He said instead of the quarterly adjustments of the rate, government now intends to make adjustments that will not make further changes necessary for some time, to ensure greater stability in planning.

On Nigeria's decision not to take an IMF loan, Dr Botchway said Nigeria has nevertheless devalued the naira, imposed a 30 percent import surcharge, is laying off part of labor force, and reduced salaries and wages. All these show that Nigeria has adopted the austerity program required for an IMF loan, while declining to take the loan itself. Instead, it is producing more oil to earn more foreign exchange. He said Ghana does not find the Nigerian approach to be in the interest of Ghanaians, adding, the terms under which we got the IMF loan, were as good as our economy and the laws of the IMF permit.

/8309

CSO: 3400/838

GHANA

MINISTRIES OF RURAL DEVELOPMENT, LOCAL GOVERNMENT MERGED

AB112236 Accra Domestic Service in English 2000 GMT 11 Jan 86

[Text] The Ministries of Local Government and Rural Development and Cooperatives have merged. This is to promote a closer cooperation of the functions of the local government agencies and ensure a more efficient utilization of rural resources and initiative. The new ministry which will be called the Ministry of Local Government and Rural Development, will function directly under the PNDC [Provisional National Defense Council] member and chairman of the committee of PNDC secretaries [Mr P.V. Obeng]. The secretary immediately responsible for the ministry is Mr Acquah-Harrison. The ministry's two under-secretaries are Mrs Gertrude Zakariah-Ali and Mr A.N.K. Amoakoh, whose appointment takes immediate effect. The ministerial advisory board for the new ministry will compromise the PNDC secretary as chairman. The members are the chairman of the National Mobilization Committee, a representative of the Department of Projects and Programs at the National CDR [Committee for the Defense of the Revolution] Secretariat, and a representative of the National Council on Women and Development. The other members are a representative of the Department of Social Welfare, a representative of the Department of Rural Development, and a representative of the National House Chiefs.

/8309

CSO: 3400/838

GHANA

DAILY CRITICIZES BBC INTERVIEW OF FORMER VICE PRESIDENT

AB112111 Accra Domestic Service in English 1800 GMT 11 Jan 86

[From the Press Review]

[Text] The PEOPLE'S DAILY GRAPHIC writes on an interview with Ghana's former vice president, Dr De-Graft Johnson, carried by the BBC last Monday. Dr De-Graft Johnson said among other things that despite the arrest in the United States of Mr J.H. Mensah, in connection with an illegal arms deal to destabilize the Ghana Government, the struggle to destabilize the government will continue. The GRAPHIC says it would have ignored the interview because it is not worth the effort of any serious comment, as Dr De-Graft Johnson is to be pitied. However, the paper believes that the same thing cannot be said of the BBC, which carried the interview.

It is clear that by putting the facilities of the BBC at the disposal of Dr De-Graft Johnson, it seeks to lend respectability and creditably to what would otherwise be dismissed outright by all reasonable people. The GRAPHIC expects that BBC will claim in reply that it is a free press. But the paper points out that every journalist who works for the BBC has been vetted. It is also clear that Dr De-Graft Johnson and his like are being given air time to undermine the Ghana Government. The paper wonders what the official response of the British will be if the Ghana Broadcasting Corporation [GBC] gives air time to the Irish Republican Army, for example. What will be the official response if GBC provides air time for people seeking to ridicule the British monarchy. We are sure, says the GRAPHIC, that these will be taken as insensitivity and insults to the British people. Yet the authorities who hide behind the BBC have no qualms when it comes to villifying the people and government of countries like Ghana. It is time this was stopped, continues the GRAPHIC.

/8309

CSO: 3400/838

GHANA

BRIEFS

SECRETARY RELIEVED OF DUTIES--Mr F.A. Jantuah has been relieved from his duties as secretary for local government on health grounds, and at his own request.
[Text] [Accra Domestic Service in English 2000 GMT 11 Jan 86] /8309

CSO: 3400/839

MOZAMBIQUE

PORTUGUESE PRIME MINISTER DISCUSSES MNR, RELATIONS

AB111618 Dakar PANA in English 1434 GMT 11 Jan 86

[Text] Maputo, 11 Jan (AIM/PANA)--The new prime minister of Portugal, Anibal Cavaco Silva, has hinted that his government may take action against the Lisbon representatives of the bandits of the "Mozambique National Resistance" (MNR).

In an exclusive interview published in today's edition of the Mozambican weekly TEMPO, Mozambican journalist Calane da Silva asked Mr. Cavaco Silva what concrete measures he planned to take against the bandit representatives. He pointed out that under the previous government, that of Mario Soares, the Portuguese Foreign Ministry had pledged action against MNR activity in Lisbon, but that this had continued unaltered.

Calane da Silva also noted that the MNR choose Portuguese citizens working in Mozambique as one of their favorite targets, and that MNR banditry has seriously prejudiced Portuguese economic interests, notably through preventing the sale of electricity from the Cabora Bassa Dam in the northwestern province of Tete. About 80 percent of the shares in Hydroelectrica de Cabora Bassa, the company that runs the dam, are owned by Portuguese state financial institutions.

The prime minister replied that "my government will not allow Portugal to be used as a platform by groups that attack or try to destabilize the legitimate government of the People's Republic of Mozambique."

The policy of the Portuguese Government "will be one of rigorous respect for the sovereignty and interests of each state." But Mr. Cavaco Silva qualified this policy by a reference to "strict respect for the democratic freedoms guaranteed by the Constitution." In the past the MNR in Lisbon has used the pledges of freedom of speech and of the press in the Portuguese Constitution as a cover for their activities.

On Military cooperation with Mozambique, Mr. Cavaco Silva said that Portugal was prepared to consider it but that this was "a particularly sensitive area, and one that should be treated in the necessary depth."

The TEMPO journalist said that economic cooperation between Mozambique and Portugal seemed to have "run aground," and asked the prime minister what he would do to improve the situation. Without going into any details, Mr. Cavaco Silva replied "the policy of cooperation of my government will be concerned with concrete, practical and useful undertakings, rather than with words and declarations of intent."

His government was committed to "strengthening and broadening cooperation with Mozambique, and this must necessarily entail a frank exchange of views with the Mozambican Government".

He was sure that Portuguese businessmen would take advantage of the favorable conditions for cooperation with Mozambique that his government intended to create.

On South Africa, Mr. Cavaco Silva reiterated Portugal's "strong condemnation" of apartheid, but expressed opposition to full-scale economic sanctions against Pretoria. Like previous Portuguese leaders, his excuse for this was the presence of hundreds of thousands of Portuguese citizens inside South Africa.

TEMPO noted the irony that when the Socialist Party of Mario Soares is in power in Portugal, relations with Mozambique become difficult, but when right-wing parties form the Portuguese Government, then relations improve.

Although disputing the description of his party, the Social Democratic Party (PSD), "conservative," Mr. Cavaco Silva agreed with the substance of the remark. "It's certainly true that relations between Portugal and Mozambique, as well as the other countries that use Portuguese as their official language, have always improved whenever the PSD is in government," he said. "That's how it has been in the past, and how it will continue in the future. I am personally committed to this and so is my government."

The PSD won the largest share of the vote in the Portuguese general election of last year, but not an absolute majority. Mr. Cavaco Silva did not enter a coalition with any of the other parties, but formed a minority government.

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CSO: 3400/855

NAMIBIA

MAN SENTENCED FOR ATTEMPT TO FREE DU TOIT

MB071253 Johannesburg SAPA in English 1238 GMT 7 Jan 86

[Text] Windhoek, 7 Jan (SAPA)--A jobless Windhoek man, Nino Landrauw, was sentenced to R100 or 60 days by the Windhoek Magistrates Court today for impersonating a South African Defence Force officer in a "wild spree" to free a South African soldier, Captain Wynand Du Toit, captured in Angola last year.

Landrauw, 34, pleaded guilty to the charge.

Giving evidence, but not under oath, in mitigation of sentence, Landrauw said he had been telephoned by "a certain woman" who asked him in November last year to free her husband who was being held in Angola.

"A certain high-ranking officer of the Transkeian Defence Force headquarters, who is married to a sister of the captive, also asked me whether it was possible to fetch the person in Angola," he said.

Landrauw declined to name the people involved but the name of Captain Du Toit was mentioned in sworn statements to the police.

Landrauw said he had served in a reconnaissance unit of the SADF and had experience of such operations.

He had to recruit five men and an amount of R150,000 was offered to each man upon completion of the mission.

On December 3, the six men went to the SWA/Namibia Territory Force headquarters in Windhoek to discuss the planned operation with the commanding officer, Major-General George Meiring, and to obtain the number of a military bank account in which the money was supposed to have been deposited by civilians.

The general was not available.

After introducing himself as an officer of the SADF with the rank of major, Landrauw and the five were arrested.

Charges against the others were dropped later.

Landrauw said he undertook the assignment because the captured soldier "is a personal friend and I have known him for years."

Asked about his army career, Landrauw refused to detail operational experiences.

Landrauw gave various explanations to account for discrepancies in army service numbers he had given to the court.

"His story is shot through with contradictions," the prosecutor, Mr Richard Metcalf, said.

"The accused acted under a misguided sense of duty and it is obvious that he believes his own stories."

The magistrate, Mr C. Liebenberg, said Landrauw's offence was not so serious as had appeared at first glance.

"But I want to warn you today that you are playing with fire if you want to continue doing things on your own," he said.

"We have a country and a government who handle such affairs in their own way."

After the trial, one of the men "recruited" by Landrauw told reporters Captain Du Toit's wife telephoned him after she saw a newspaper report of the court case.

Mrs Du Toit told him she had never heard of Landrauw and certainly never spoke to him.

Meanwhile, it was understood the International Committee of the Red Cross was negotiating the release of Captain Du Toit with the Angolan authorities.

The captain was reportedly leading an SADF reconnaissance group in an abortive raid on oil installations in the Cabinda enclave last May when he was taken captive by Angolan forces.

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CSO: 3400/842

NAMIBIA

VIABILITY STUDY FOR KUDU OFF-SHORE GAS DELAYED

MB071547 Johannesburg SAPA in English 1336 GMT 7 Jan 86

[Text] Windhoek, 7 Jan (SAPA)--A viability study into the SWA/Namibian off-shore Kudu gas fields had been delayed for an undisclosed period, the SWABC radio news reported in Windhoek today.

The study was begun in September last year and was to have been completed at the end of last month.

The chairman of the SWA Oil Exploration Corporation (SWACOR), Mr Skerf Potas, said details of the deal would be disclosed after the next board meeting of SWACOR, due to be held at the end of this month or early February.

SWACOR controls oil concessions in SWA/Namibia.

Mr Potas said that if the viability study proved favourable, SWACOR would seek partners for the drilling of further exploration holes in the Atlantic Ocean between Oranjemund and Luderitzbucht.

/8309

CSO: 3400/842

NIGERIA

LABOR, INTERNAL AFFAIRS MINISTRIES TO REVIEW EXPATRIATE LABOR QUOTA

Lagos DAILY TIMES in English 14 Dec 85 p 24

[Article by Zakari Adamu]

[Text] Existing guidelines on the granting of expatriate quota to all sectors of the economy are soon to be reviewed by the Federal Government.

To this end, a joint session to discuss the issues has been planned by the ministries of labour and internal affairs.

This was disclosed yesterday by the Minister of Employment, Labour and Productivity, Rear Admiral Patrick Koshoni, while answering reporters' questions at Murtala Muhammed Airport, Ikeja.

The plan, according to the minister, would enable the government to create job opportunities for more 120,000 unemployed and under-employed graduates in the country.

The minister pointed out that most expatriates who came into the country as technical experts are not better than Nigerian graduates whose turnout has been on the increase yearly.

Rear Admiral Koshoni cited the agricultural sector where government could now do more with less expatriates.

"We now have a lot of Nigerian graduates in this area," he said.

Streamline

"If we can streamline the loop-holes, surely we will be able to have some savings in terms of job opportunities, which otherwise now are being offered to the expatriates" the minister contended.

The proposed cut in the expatriates quota, he disclosed, would "arise out of a tighter and more strict control of the issuance."

The minister also said that his ministry was prepared to use research proposals of the various universities in the manufacturing sectors to provide job opportunities for graduates.

NIGERIA

EXPERTS SUPPORT BABANGIDA'S NEGATIVE STANCE ON IMF

Lagos SUNDAY TIMES in English 15 Dec 85 pp 1, 7

[Article by Kunle Odufuwa and Soga Odubona]

[Excerpt] Financial experts at the week-end described President Babangida's rejection of the IMF loan as a very bold and courageous step. They equally expressed optimism that Nigeria would come out of its present economic doldrum stronger than before, if the desired measures were taken and sacrifices made.

They however called for co-operation with the President in the task ahead. Those who expressed the views include President of the Lagos Chamber of Commerce and Industry, Professor Ayo Ogunsheye the Executive Director of the Manufacturers Association of Nigeria, Dr. Oladapo Fafowara, Alhaji Abubakar Abdul Kadir, Managing Director of the Nigeria Industrial Development Bank and chairman of the IMF Loan Public Debate Committee; Mr. Milton-Job, managing director of the National Bank of Nigeria and Mr. W.O.O. Ajayi, executive chairman of the Financial Trust Company Nigeria Limited in separate interviews with the SUNDAY TIMES.

Dr. Fafowara said: "I commend the President for his very tough and courageous decision and we will expect within the next few days to have the outline of the new economic measures and strategies. Tough measures will no doubt be adopted and we will be prepared to make more sacrifices."

Members of the Manufacturers Association of Nigeria would be willing to accept whatever sacrifice is necessary if it is in the overall interest of the nation.

He said there was need to eliminate waste in the public expenditure. "We should also plug all leakages in expenditure so as to save the country sufficient foreign exchange that will keep industries going."

He then called for a long term strategy aimed at reviving the economy adding "The economy will pick up well in the next five years if we adopt the right economic policies and make necessary sacrifices."

Alhaji Abdul Kadir on his part, described the decision as a right one which was not easy to make adding "Members of my committee are quite comfortable with the decision.

"We welcome the decisions in a way provided that other urgent decisions and measures we recommended were taken.

He analysed the problem faced by his committee and noted that it made a number of options to the government in its reports.

"The government by its decision took a cost benefit, in other words, compared the hardships in all of them before coming out with its decision." "What the decision meant is that Nigeria must come to accommodation with the external bankers so that our short term loan and trade arrears can be refinanced particularly, the insured creditors."

While calling for belt tightening and sacrifice on the part of the Nigerian Public he called on the government to use whatever little resources we have judiciously in order to keep our factories and agriculture going.

Alhaji Abdul Kadir expressed optimism that "Nigeria will come out of the present situation stronger if we make the desired sacrifices."

Mr. Milton-Job commended the government for allowing the will of the people to prevail despite the fact that it had the power to take the IMF Loan.

He declared: "The decision of government is patriotic and commendable and it confirms the majority view of the population that the loan should not be taken because of the need to preserve the sovereignty of Nigeria, they need not to enslave ourselves as well as that of generations to come."

The decision, he said would have very serious consequences noting that the government had articulated this and had called for sacrifice.

While urging Nigerians to identify with the present economic realities of the country, Mr. Job called on the country's trading partners and creditors to reason with Nigeria and see the decision as "that which reflects public opinion and identify themselves with our aspirations for the common good afterall if we prosper, they will equally prosper."

He also called on the government to curb all avenues through which economic saboteurs could siphon our foreign exchange out of the country.

"I strongly feel that if this discipline is enforced, if by this example we are able to persuade our genuine creditors to negotiate the current debts, I believe that in the next 15 to 24 months we shall be the better for it and will be able to congratulate ourselves that we saw the problems ahead of us, we recognised them and approached them with maturity, understanding and at the end of the day shall see the green light out of the tunnel."

Mr. W.O.O. Ajayi, while congratulating the President for his decision said "I doff my hat for the courage of the President to have taken such a decision and history will prove him right. It is a great victory and good consideration for the common people of this country."

Describing it as an economically wise decision, Mr. Ajayi said that if Nigeria had taken the loan, the attendant problems that would follow might lead to a revolution.

The reason, he said was because the devaluation, Liberation of Trade and withdrawal of subsidies would have benefitted the rich and opened the poor to exploitation adding that it would have led to a wave of civilised genocide.

Taking the IMF he said would have retarded progress adding that "no nation has taken the IMF Loan in developing countries and have been able to increase their Gross National Product."

Appealing to all Nigerians he said "Let us all adjust, tighten our belt and make the desired sacrifices.

Nigerians should wake up. We have everything to make us a great nation. Let us all remove the veil of sectionalism from our lives and start thinking that we are running one nation irrespective of who is place there and see him as doing a national service and with that we will reverse our misfortune within a very short period."

Professor Ayo Ogunshye said "now that the President has decided, my humble opinion is that any comment is premature until the budget for 1986 is announced."

Professor Ogunshye said that "what we should all do as patriotic Nigerians and good corporate citizens is to rally behind the President and give him maximum support in the tasks ahead.

He recalled that the Lagos Chamber of Commerce and Industry, acting within the umbrella of the Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture, NACCIMA submitted to the IMF panel, a 25-page memorandum entitled "Strategy For Reviving The Nigerian Economy."

Professor Ogunshye said the paper examined in detail, the relative merits of five different policy options and their implications.

Managing Director, First Bank Mr. O. Olashore: I have always said, accept the conditionalities but reject the loan, since the President does that it is okay.

Dr. Wole Adewunmi: Senior Lecturer - Department of Finance University of Lagos: I jumped for joy when I heard the news. This country will not go under because Nigeria does not take the loan. Nigerian creditors cannot do without Nigeria. They are bound to export to us. If things get tough, Nigeria should declare economic blockade, the way China did in 1949.

NIGERIA

GOVERNMENT URGED TO REVIEW STAND ON ISRAEL

Lagos SUNDAY TIMES in English 15 Dec 85 p 2

[Article by C. O. Dureke]

[Text] In these days of nationalism and patriotism one may be carpeted for querying the rationale behind Nigeria's refusal to recognise the state of Israel since independence.

During the First Republic the late premier of Northern Region, Alhaji Ahmadu Bello reportedly said that as far as he was concerned Israel was not on the world map. But during that period Israelis were actively engaged in Nigeria establishing farm settlements and rural water development schemes in the defunct Western and Eastern Regions.

When asked in parliament why Nigeria had refused to recognise Israel, the late prime minister Alhaji Abubaka Tafawa Balewa replied that Israel seized Arab land and since several Arab nations were members of the Organisation of African Unity, Nigeria considered that "any wrong done to any member state of the organisation is a wrong done to all of us".

With the active collaboration of Britain and through the instrumentality of the United States the state of Israel was established in 1948. It was sandwiched between Egypt, Lebanon, Syria and Jordan. Right from the outset the Arab refused to recognise it and infact swore to liquidate it.

Apart from continued war of attrition and guerrilla raids on the young state Arab nations have jointly fought three major wars in 1948, 1956 and 1967 against Israel without success.

Infact on each occasion they lost vast land to the Israelis. Yet, they still talk of liquidation of Israel. Even the Palestinians rendered homeless by their continued confrontational attitude will not recognise the state and stand by their pledge not to do so until the Israelis have vacated every bit of Arab land. The question is vacate Arab land and go to where?

Those who read the book of Exodus know that the Egyptians and the Israelites are traditional enemies. The Israelites whom God repeatedly called "My people" in the Holy Bible were slaves to the Egyptians. Because the Egyptians

oppressed them, the Almighty God decided to deliver them from the bondage of Pharaoh and his people and led them out of Egypt to the land which he had sworn to have to the children of Abraham, Isaac and Jacob.

In Deuteronomy Chapter 34 we read that "Moses went up from the plains of Moab upon Mount Nebo, to the top of Phasga over against Jericho. And the Lord showed him all the land of Galaad as far as Dan. And all Naphtali and the Ephraim and Manasse and all the land of Judah into the furthestmost sea. And the south part, and the breadth of the plain of Jericho, the city of palm trees as far as Segor" and so on.

Although Moses did not reach the promised land Canaan, before he died in Moab, Joshua eventually led the children of Israel there and they settled there and prospered. This area is now being disputed because the Israelites offended God where upon He destroyed the land and scattered the Israelites all over the globe. Hence till date one finds Jews in Germany, United States, USSR in fact everywhere.

However, according to the Holy Scripture, Jehovah promised to bring them back to their fatherland when they had suffered enough for their sins. The Lord fulfilled that promise precisely when the new Israeli state was established in 1948.

When the Israelites fled, the Arabs moved in and occupied their land but when the Israelis returned the Arab refused to surrender even a metre of the land. As a matter of fact the Arabs started waging war against the Israelis right from that very first year. Even today they are still talking of "wiping out the state from Arab soil".

In 1967, the Arabs spearheaded by Egypt and with active military support of the Soviet Union attacked Israel while the people were celebrating their yearly religious festival and nearly overran the country. In three days of retaliatory fighting the Israelis defeated the Arabs hands down and reoccupied some of the areas which the Arabs had refused to surrender to them originally.

Consequently in disgrace the Egyptian leader Colonel Abdul Nasser who killed General Neguib who overthrew the Egyptian monarch, King Farouk II in a coup, suddenly died of heart failure.

His wiser successor, Anwar Sadat reasoned that the state of Israel had become a fact of this century and with good counsel of the United States he signed the Camp David Accord with Israel. Both countries have since re-established friendly relations.

If arch enemies, Egypt and Israel are now talking peace, why must Nigeria refuse to have diplomatic links with that country?

Support

True that in spite of their defeat by Israel, Egypt aided Nigeria against secession of Biafra until the successful prosecution of the civil war in 1970. But then Nigeria has thanked the Egyptians enough for their support by showing in no small measure our solidarity with the Arabs on the Palestinians homeland question.

Commonsense dictates that once Egypt the Arab leader is no more in the fighting mood it is foolhardiness for any other country to continue to war with Israel on Egypt's behalf. One Nigerian proverb says that a sympathiser should not break his head when the chief mourner refuses to follow his dead relative to the grave.

/13104

CSO: 3400/846

NIGERIA

IMPACT OF STEEL INDUSTRY ON ECONOMY EXPLORED

Lagos BUSINESS TIMES in English 16 Dec 85 p 7

[Article by Jare Adesokan]

[Text] As the President and Commander In Chief of the Armed Forces, Major General Ibrahim Babangida has rightly said, we have every reason to celebrate Nigeria Silver Jubilee Anniversary; in that despite obstacles Nigeria was able to record some notable achievements.

Nigeria woke up from her slumber right from the times of nationalists, particularly, late Mazi Mbonu Ojike and others, who quickly realised the importance of Nigeria taking off industrially side by side, with agriculture.

At the time, the colonial masters used to argue that Nigeria was an agricultural country. They would want to convince us that we should not endeavour to industrialise the economy.

They (British administrators then) wanted us to pay 100 per cent attention to agriculture. The result so far has been declining prices of exported primary goods to increasing prices of manufactured and capital goods, technology and services. However, the talk of Nigeria remaining an agricultural country was debunked long ago.

According to late Mazi Mbonu Ojike in his book "My Africa" he said, "We are really fed up with this hackneyed reference to our so called agricultural possibilities. The West Africans of today are thinking fast and are not satisfied with the role of being just the producers of raw materials to the highly industrialised nations of the world.

If West Africa is to have a respectable place in the new order of things, a place to which she is rightly by reason of the part she is now playing, in the cause of peace, nothing short of a gradual process of industrialisation would be good enough.

Britain, USSR, and the USA are no less agricultural countries than Nigeria. Agriculture alone does not make a great nation. Too much emphasis is laid on farming, what concrete plan is being made for industrialisation? Agriculture

and industry must be combined, otherwise, our farmers will continue to be the economic slaves of those who dictate prices at both ends of the deal."

That had been Mazi Mbonu Ojike, advocating for industrial take off for Nigeria as early as 1945. This believe gained momentum late in 1958 and the awareness was generally created in 1960s, but nothing concrete was done until 1970s.

In any country, steel development, has always had far reaching IMPACT on the economy.

In that, steel for long had been regarded and accepted as essential foundation for industrial development of any country.

From development of iron and steel Nigeria, can rub shoulders with the advanced countries.

Steel is so associated with industry, because it is an extremely basic industrial material for any manufacturing process. It is used very widely in all industrial sectors and day to day living. There is hardly anything made by man that has no connection with steel.

Statistics from 1913, showed that Russia was producing some 4.2 million tonnes of steel annually. Today, Soviet Union produces well over 150 million tonnes of steel per annum and she remains the world's largest producer of steel. Another set of statistics show that by 1974, USSR steel production stood at 16.2 million metric tonnes per annum, USA production at 12.2 million metric tonnes per annum and Japanese production at 117.1 million tonnes per annum.

In 1977, corresponding figures for the three countries were 146.6 million tonnes per annum; 113.2 million tonnes per annum and 102.4 million tonnes per annum.

In 1974, Brazil was producing 7.5 million tonnes per annum. India was producing 7.1 million tonnes per annum and Turkey was producing 1.6 million tonnes per annum.

In a country such as Nigeria with rapidly expanding economy, the demand for steel should be in the increase.

Available statistics indicate that Nigeria's demand for steel had increased astronomically over the past years, as a result of increase in development of industries and constructions. The importation in Nigeria grew from a modest value of 150,000 tonnes in 1960 to a substantial figure of 2,200,000 tonnes in 1977. The forecast for 1985 was 4.5 million tonnes, in 1990, Nigeria will require 6.3 million tonnes and in 1995, 8.50 million tonnes respectively.

In 1970, steel importation was 613,907 tonnes valued at N76 million, in 1975, 1.026 million tonnes valued at N326 million, and in 1977, 2.19 million tonnes costing N432.6 million naira.

The projected demand of steel products by type for the year 1985 and 1990 are as follows:

In 1985, the country will require 4.5 million tonnes for pipes, tubes and others. For 1990, a total of 6.4 million tonnes of steel will be demanded, of which 2.3 million tonnes are for longs, 2.1 million tonnes for flats and 1.82 million tonnes for tubes and others. These statistics highlighted the urgent need for the establishment of steel plants in the country for production of long and flat products which the Minister of Mines Power and Steel has started to implement.

In the first instance, steel industry in Nigeria was born without adequate preparations as we had in advanced countries like Russia, Japan, America and Germany. No good infrastructure, no good roads, housing, raw materials, trained technicians etc. And the above factors that are easily available in foreign countries are largely responsible for their cheap steel that were dumped on Nigeria soil.

In any case, Nigerian Premier Steel Plant, at Aladja, Warri was heralded with pomp and pageantry in 1982, when it was commissioned by the then President Shehu Shagari. Politics, tribalism, nepotism and corruption that subsequently followed the operation of the Delta Steel Aladja; prevented growth of the industry; until a house cleaning exercise of the company was done during the military regime, in 1984.

Delta Steel under a new management headed by Engineer Tachia Jooji, received a new face lift.

When I first took Engineer Jooji on; he first commended the efforts of the present military government for assisting him to achieve progress at Delta steel.

According to the acting general manager, Mr. Jooji the Delta Steel Company Limited, Aladja, Warri, has produced over 683,000 tonnes of billets as well as 188,000 tonnes of rolled products since it was commissioned in 1982. He stated that the company had at the end of September this year, produced over and above the 1984 production level.

On further impact Nigeria steel has made on the economy, Engineer Jooji claimed that Delta Steel Company, has been able to satisfy building and construction industries by feeding them with high quality steel products. This has resulted in saving Federal Military Government over N600 million Naira in foreign exchange.

As to other areas of savings, Engineer Jooji, was delighted to state that, in terms of technology transfer or acquisition Delta Steel, has been able to save the nation, millions of naira in advanced technology because Nigerian technicians have been able to learn on the job; as against employing expatriates from Overseas.

In another development, Engineer Jooji declared, that if not for Delta Steel, cement factories in Nigeria could have closed down, as a result of nonavailability of spare-parts. He said, Delta Steel has been able to manufacture majority of the spare-parts required for a successful, operation of machines and equipment, used in the cement factories in Nigeria. He continued, D.S.C. has been able to trigger off the establishment of some upstreams and down-streams industries in the country, e.g. scrap processing, foundry raw materials, wire and nail making industry and numerous steel fabricating industry - All these provide employment opportunities he declared.

In the same vein, Delta Steel is to earn further foreign exchange for the country when it ships out 10,000 tonnes each of Direct Reduced Iron to Brazil and the United States in December. The transaction is said to worth more than N20, million naira in foreign exchange Engineer Jooji, said D.S.C. is presently producing more Direct Reduced Iron than he required, and demand for the excess have pouring in, from Katsina, Oshogbo, Spain and Japan.

In his effort to create more avenues for revenues for the company, Mr. Jooji said that the company-plans to set up an industrial estate for various companies some of which would utilise its steel products while others would provide the inputs, D.S.C. required for steel making. Against this background, D.S.C. has acquired 272.5 hectares of land around D.S.C. to be hired out for development, for the purpose of constructing and establishing ancillary industries.

Meanwhile, a ship salvaging company, "Marine Recoveries Services Limited," in Warri, has been given land under the industrial estates scheme, to salvage wrecked ships in Nigeria inland waterways and sell the scraps to Delta Steel.

Asked, if Delta Steel has reached its target production level, Mr. Jooji said that Delta Steel could have attained her goal this year - but for various problems confronting the company. He said, D.S.C. faces problems of import license. Saying, if not for the hardworking Minister of Steel, Alhaji Rilwanu Lukman, who had to write the Finance Minister, D.S.C. wouldn't have been able to receive import license this year. He added that, after processing the forms "M" application, foreign banks declined to guarantee lines for importation of spare-parts and consumables.

As a result, D.S.C. has been able to operate one furnace only, out of four furnaces in the production area. The few spare parts reaching D.S.C. are through frantic efforts of our staff in Germany. Mr. Jooji observed that, if not for consumable spare-parts and raw materials (iron ore); with the amount of energy supplied from NEPA, Delta Steel Company, could have produced more than the expected target.

In reply to my question as to what the government should do to alleviate D.S.C. problems, Engineer Jooji, suggested that, government should approve a revolving credit line with foreign banks for the purchase of spare-parts and consumables in bulk large quantity, as against piece-meal purchase, through numerous letters of credit, which takes three to four months to mature.

Another suggestion, was that D.S.C. needs more attention in the field of funds allocation so as to be able to stand on its own and be able to allocate adequate billets to the rolling mills in the country.

NIGERIA

CONCERN RAISED OVER LACK OF CONTRACTS WITH ADB GROUP

Lagos DAILY TIMES in English 17 Dec 85 p 5

[Article by Ngozi Ikeano]

[Text] Although there have been calls for the boosting of exports of our non-oil goods, there have not been such attendant clamours for the exportation of Nigerian skills through the rendering of services by Nigerian professionals abroad, particularly in Africa where we are a force to reckon with.

Nonetheless, Nigerian professionals-architects, engineers, contractors, consultants, etc.-faced with "joblessness" at home on account of government policy of not embarking on new projects, due to the economic crunch, have begun to look across the country's borders for work.

True, the depression is worldwide, leading to the slowing down of business activities including the award of contracts by national governments. However, one area where professionals are directing their attention is international banks which are forever giving out loans for the financing of projects and feasibility studies.

Contracts and consultants are required for the execution of these projects and studies. Mr. Babacar D'diaye, president of the African Development Bank (ADB) group confirmed that "recently quite a number of Nigerian consulting and contracting firms have started coming or writing to the bank to seek information on some of the bank's contracts and consultancies."

However, ADB's records show that most of the bank Group's contracts for equipment, works and consultancies have been won by non-Africans. "In clear terms it means that the bulk of what is meant to be aid to Africa has gone back to the donors of that aid" explained Mr. N'diaye.

Worried that Africans in general and Nigerians in particular (inspite of the country's enormous contributions to the bank) have not been getting a fair share of the contracts for ADB group financed projects, the bank last month in conjunction with the Federation of African Consultants (FEAC) organised a two-day seminar in Lagos. The FEAC was formed last year with the mandate of ADB, to advance the interests of African consultants.

The Lagos seminar was contractors/suppliers on ADB Group assisted projects all over Africa. Held on November 27 and 28, the seminar was aimed at involving Nigerians more on the activities of the ADB, exposing Nigerian professionals to international competitions and export promotions of services by Nigerian nationals.

Addressing the participants, the president of the ADB Group, after giving a resume of the bank's operations and functions, threw more light on the rationale for the seminar. He declared: "We have come to let Nigerian consultants and contractors realise that potentials exist for them in the Group's financed studies and projects; we have above all come to invite Nigerian consultants and contractors to bring their dynamism in project execution into the Group's projects."

He lamented that practically no Nigerian consultant or contractor had won any of the ADB Group consultancy or contract. "It is unsatisfactory, not to say abnormal, that Nigeria, a country well known for the business acumen of its inhabitants and where there is a plethora of experienced and qualified consultants, should at this stage of the Bank Group's existence own Nigerian Trust Fund have no records to show in the number of ADB tenders it has won" he regretted further.

Some Nigerians considered it even more absurd that Nigerians have not got any of the contracts for the execution of projects/studies financed by "their own". Nigerian Trst Fund (which is a part of the ADB Group). It is argued in some quarters that such contracts should go to Nigerians as a matter of "right".

However, It must be added that the fact that no Nigerian had won any of the ADB Group contracts, is not the bank's making. It was gathered that because of the oil boom era and the consequent large amounts associated with contracts being awarded here at home, Nigerian contractors considered those contracts more attractive. Contracts being awarded abroad were seen by the Nigerian contractors then to be too small in amount in comparison with those at home, to merit their bidding for them.

However, times have changed and with the ailing economy, Nigerian contractors have climbed down from their lofty heights, thinking of exporting their services to other parts of Africa.

Also it was gathered that some Nigerian contractors priced themselves out of international biddings because they were charging higher fees in comparison with their competitors. Yet another reason was cited as ignorance on the part of Nigerian contractors, of the opportunities that existed in the ADB.

Mr. N'diaye stressing that Nigeria should take its rightful position amongst countries that get the ADB Group consultancies and contracts, pointed out that the outflow of resources from Africa would be stemmed if they had indigenous African contractors and consultants who could compete favourably with their European counterparts.

The first paper of the seminar by Mr. Nnamoko of the ADB gave an overview of the bank's structure and organization as well as the rules and procedures for the procurement of contracts from the bank. Mr. Bouzid also of the ADB spoke on difficulties relating to the use of African consultants while Mr. Freeman, acting secretary-general of the Federation of African Consultants (FEAC) spoke on the organization of FEAC.

A vice president of FEAC, Chief Olayiwola Balogun dealt on "the setting up of an effective consulting/contractors organisation, preparation of proposals." Chief Adejumo, president of the Association of Consulting Engineers of Nigeria talked on "the need for regrouping African consultants/contractors with a view to penetrating the market of development institutions and the most satisfactory terms for joint ventures between African and non-African consultants."

In the course of the discussions, it was discovered that African consultants/contractors are faced with a lot of problems which make it impossible for them to compete on equal footing with their European counterparts. In awarding contracts for projects financed by them, international banks use a set of criteria for judging and appraising the applicants or bidders for the contracts.

Among the criteria are "experience", qualification of the applicant's staff, facilities available to the bidder, language capacity of the applicant, and so on. Each of the criteria carries specific marks, all of which total up to 100 and the contract is awarded to the bidder with the highest marks.

African consultants/contractors complain that they are handicapped in some respects owing to the limitations of openings for them to acquire "experience", inadequacy of facilities at their disposal and so on. They explain that these automatically put them at a disadvantage with their non-African counterparts who have more sophisticated equipment, etc. and so able to score more marks and win more of the contracts.

Joint ventures between African consultants and their non-African counterparts are considered as a viable option by which African contractors/consultants could launch themselves into the international market.

It was learnt that the Federation of African Consultants (FEAC) in view of the problems confronting African consultants has asked for a review of the criteria used for awarding contracts. Among the proposals tabled by FEAC is that "experience" should count less in weighing bidders and that a new criterion to be known as "African character" (similar to our federal character factor) should be taken into consideration and added to the list of criteria for appraising applicants.

These are aimed at tilting things in favour of African consultants/contractors. It was learnt that the management of the ADB and the World Bank would approve the FEAC proposals "any moment from now."

Nonetheless, participants at the seminar felt that African consultants/contractors still need more concessions to put them at par with their European counterparts, considering the "multifarious" problems they have to contend with. Officials of FEAC, however, pointed out that they have to seek for concessions gradually.

Speaking to the participants at a luncheon he hosted for them, a Nigerian executive director of the ADB, Mr. Ben Unachukwu, implied that Nigerian consultant/contractors should not because Nigeria has the highest share capital in the bank as well as a "Nigerian Trust Fund", think that they would get ADB contracts for the asking—they would have to be appraised and compete with others.

To avoid being priced out of the race, Mr. Unachukwu noting that price structures in Nigeria are a little higher than what obtains elsewhere, advised the professionals thus: "To be able to bid realistically for a project outside Nigeria one has to be necessarily conversant with the pricing system in the country of the project in question, particularly as it concerns the local costs element of the projects being considered."

He also urged Nigerian professionals who win contracts abroad, "including those of the ADB to endeavour to execute the jobs creditably in order to uphold the "integrity and perfection of Nigerian expertise." Remarking that it is the Nigerian government and not the individual contractors/consultants that will get the blame for any job done shoddily abroad the ADB director cautioned: "A single job badly done by any Nigerian in as much as it falls short of expectation could sabotage the entire reputation of Nigerian skill and damage the prospect of future contracts for other Nigerian contractors." He advised them further: "We should go international not only to realise financial benefits, but also with the intent of upholding the good name of Nigeria."

Although, Mr. Unachukwu did not say it succinctly, one had the impression that he was referring to the instances of abandoned projects associated with some of our contracts at home in the past.

Coincidentally, a few minutes after Mr. Unachukwu's speech, works and housing minister, Alhaji Hamza Abdullahi, told members of the association of consulting engineers (who also attended the seminar) during their quarterly luncheon in another part of Lagos: "It is on record that a number of indigenous firms rather than expatriate firms were responsible for abandoned projects or projects executed in a slipshod manner." This is not to say that there are no honest and scrupulous Nigerian contractors.

At the end of the seminar a number of resolutions were adopted "to further promote the lofty objectives of the founding fathers of the ADB." Among them are that: The ADB should as a matter of policy exert greater influence on borrower countries on the utilisation of African consultants/contractors; ADB should, like other similar international funding agencies encourage the use of available Nigerian expertise on projects funded with the Nigerian Trust Fund;

ADB to assist in funding proposals for infrastructure that will assist contracts and consultants to compete favourably with international competitors.

It also recommended that where bilateral funding or feasibility or prefeasibility studies is by or at the instance of foreign countries, efforts should be made to involve African consultants to participate meaningfully.

On the home front, the seminar recommended that Government should provide yearly budget allocations of foreign exchange to professions registered with FEAC for project marketing and export promotion of Nigerian technical and managerial expertise.

All efforts should be made to encourage the Ministries of Trade, Finance and External Affairs to provide all necessary facilities and support for promoting the marketing and export of Nigerian expertise abroad intensive and sustained efforts should be made to encourage Nigerian consultants/contractors to form themselves into viable multi-disciplinary consortia to vie for projects locally and internationally.

/13104
CSO: 3400/8498

NIGERIA

MEAGRE GAINS FROM TOURISM ANNOUNCED

Kaduna NEW NIGERIAN in English 21 Dec 85 p 16

[Article by Matthew Onwudinjo]

[Text] Nigeria makes between 50 - 70 million Naira from tourism annually, the Vice-President of the African chapter of International Hotels Association, Alhaji Ibrahim Sani said in Kaduna yesterday.

Alhaji Ibrahim who was elected the vice president of the (ACIHA) at the first African Hotels and Restaurant Convention which ended in Abidjan, Ivory Coast last week, told the NEW NIGERIAN that the 70 million Naira realised annually from tourism was very small compared to Kenya's 250 million Naira and Ivory Coast's 200 million Naira.

Alhaji Ibrahim who is the General Manager, Durbar Hotel, Kaduna said that it was a matter for regret that Kenya and Ivory Coast in spite of their limited tourist attractions realised as much as 250 million Naira and 200 million Naira respectively annually, whereas, Nigeria with her vast and varied tourist attractions earned 70 million Naira only.

He attributed the present state of tourism business in the country to lack of development resulting from misplaced priority, pointing out that the situation was not encouraging and called on the federal government to give priority attention to tourism.

He said the present attitude to tourism should stop and serious and concerted efforts should be pursued to develop it from its present level to international standards.

/13104

CSO: 3400/848

NIGERIA

OFFICIAL OF DEFUNCT PARTY ADVOCATES 1-PARTY SYSTEM

AB121323 Lagos Domestic Service in English 0600 GMT 12 Jan 86

[Text] The former Anambra State chairman of the defunct Nigerian People's Party NPP, Chief Guy Ikoku, has advocated a one-party system of government for the country. He told the Justice (Baba Latif) Commission probing the activities of the Federal Electoral Commission in Enugu, that the system would be called [words indistinct], should include members of the armed forces and public service.

According to Chief Ikoku, plurality of party is irrelevant and alien to Nigeria's needs and culture. He added that past political systems in Nigeria failed mainly because of the country's multi-ethnic groups and stressed that the one-party system would give Nigeria both unity and economic advancement.

Chief Ikoku also suggested that the Federal Electoral Commission be reorganized to reflect the spirit of duality.

/8309

CSO: 3400/840

NIGERIA

COMMISSIONER SAYS OVER 1,600 DISPLACED BY TRIBAL CLASH

AB121254 Lagos Domestic Service in English 0600 GMT 12 Jan 86

[Text] More than 1,606 persons were displaced and property worth more than 1.5 million naira destroyed in the recent boundary clash between the people of (Mbaduku) in Benue State and the Igo community in Cross River State. The Benue State commissioner for local government and chieftaincy affairs, Mr Mohammadu (Saniki), disclosed this in Makurdi while receiving relief material valued at 22,000 naira donated by the Federal Government on behalf of the victims. He commended measures being taken by the Federal Government to find lasting peace in the area. The commissioner appealed to other organizations and individuals for donations to rehabilitate the displaced persons. The Cross River State government had agreed to pay some compensation to the victims while Bendel State had made donations for their resettlement.

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CSO: 3400/840

NIGERIA

BRIEFS

POLICE WARN STUDENTS ON DEMONSTRATIONS--Students in higher institutions of learning in the country have been warned against staging any sort of demonstration. This warning, according to the Inspector-General of Police Itim Inyang was sequel to reports that some students were planning to demonstrate "for one reason or the other." A statement signed by the PPRO Force Headquarters, Lagos, Mr. Ralph Onyejekwe, said the ban on the National Association of Nigerian Students and its activities have not been lifted. Students are, therefore, warned that it is unlawful to organise themselves into groups under any guise with a view to circumventing the law, the statement said. It added that it will be a breach of the law to embark on any demonstration as such action may lead to unpleasant consequences. [Text] [Lagos DAILY TIMES in English 14 Dec 85 p 24] /8309

EEC TRAINING PROGRAM--Two hundred Nigerians are to benefit from a N13.5 million training award by the European Economic Community (EEC) under a financing agreement signed between it and the Nigerian Government. The agreement is for a multi-annual training programme which provides for study and training awards, seminars and sectoral programmes and institutional linkages between Nigeria and European universities or institutions of higher learning. According to a statement by the EEC in Lagos yesterday, under the fellowship component of the agreement, 202 awards for training overseas had been granted up to now at a cost of N13.2 million. The statement said that 110 awards were given this year alone and that beneficiaries were federal and states civil servants. [Text] [Lagos DAILY TIMES in English 14 Dec 85 p 13] /8309

BAUCHI COTTON PRODUCTION--The Nigerian Cotton Board purchased 13,207 tonnes of cotton seeds worth N10 million from cotton farmers in Bauchi State during the 1984/85 buying season, the general manager of the board, Alhaji Abubakar Gusau said on Monday. In a statement in Bauchi, the general manager said that cotton production in the state during the period rose by 40 per cent over the figure recorded in the 1983/84 season when the board purchased 9,408 tonnes of cotton seeds valued at over N5.7 million. Alhaji Abubakar, who was in Bauchi to observe the commencement of the 1985/86 cotton buying operators, said that the board has secured a N50 million loan from the Central Bank for the purchase of cotton in the current season. [Text] [Lagos DAILY TIMES in English 18 Dec 85 p 12] /8309

FREE MOVEMENT PROTOCOL IMPLEMENTATION--Nigeria is making plans to implement the second phase of the ECOWAS protocol on the free movement of citizens of member states. The protocol comes into force in June this year. The minister of national planning, Dr Chu Ekong Okongwu, told newsmen in Lagos today that details of Federal Government's plan on the issue will be announced before the stipulated date. Nigeria has asked for 1 year suspension of the implementation of the agreement to enable her to study the implications and make necessary arrangements. [Text] [Lagos Domestic Service in English 2100 GMT 10 Jan 86] /8309

GOVERNOR ON CAMEROON BORDER SECURITY--Governor Abdul Aminu of Borno State has asked law enforcement agents at the Nigeria-Cameroon border to ensure a proper maintenance of law and order in the area. He gave the charge while addressing officers and men of the Nigerian Army, police, and customs at (Banki). Major Aminu pledged the state government's continued assistance and urged them to redouble their efforts in checking the smuggling of scarce commodities out of the country. [Text] [Lagos Domestic Service in English 0600 GMT 11 Jan 86] /8309

CSO: 3400/841

SIERRA LEONE

NEW GOLD-DIAMOND OFFICE SHOWS REVENUE

AB120838 Paris AFP in English 0753 GMT 12 Jan 86

[Text] Freetown, 12 Jan (AFP)--Sierra Leone's three-week-old government Gold and Diamond Office (GGDO) has lodged 4.5 million dollars in the Central Bank here as proceeds from its first shipment of gold and diamonds, the DAILY MAIL reported this weekend.

Quoting Finance Minister Joe Amara Bangali, it said the money would be allocated to the local brewery, a tobacco company, the water supply service, insurance companies and 50 percent state-owned oil refinery.

The GGDO was set up under Mr Bangali to buy gold and diamonds at competitive prices for export in a bid to boost the government's credit-worthiness abroad and remedy its acute shortage of foreign exchange. Formation of the office ended a monopoly by the Precious Minerals Marketing Co.

The minister also told the MAIL that the black market rate has been reduced from 15 leones to the dollar to 11, with a further decrease expected within the next week or so. The official rate is six to the dollar.

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CSO: 3400/839

SWAZILAND

BRIEFS

MIGRANT WORKERS RETURN FROM RSA MINES--Scores of Swazi migrant workers have been pouring into the country since Christmas last year following continued unrest in South African mines. According to a spokesperson for the Employment Bureau of Africa in Mbabane, Mr (David Eckesley), about 60 Swazi migrant workers returned home over that period, although Swazi miners had not been involved in the unrest in the mines. He said his office had not received any notification that Swazi miners had been involved in the unrest. [Excerpt]
[Mbabane Television Service in English 1630 GMT 7 Jan 86] /8309

CSO: 3400/843

TANZANIA

NORDIC AGRICULTURAL AID POLICY REVISED

Oslo AFTENPOSTEN in Norwegian 17 Dec 85 p 14

[Article by Einar Kr. Holtet: "Support for Cooperation in Tanzania Revised"]

[Text] Norway and the other Nordic countries have revised their support for agricultural cooperation in Tanzania. Tanzania itself has chosen to go with a venture which produced relatively good results in the years before the 1976 "ujamaa"-revolution, when large-scale collectivization was carried out.

"It has now been agreed that the Nordic countries will support a total of seven regional cooperative ventures," Gunnar Foreland, the local NORAD representative in Tanzania, said in a conversation with AFTENPOSTEN.

The 1976 collectivization miscarried. The same was true of other experiments which aimed at strong state control over the sale of agricultural goods. And today, almost 10 years after the "ujamaa"-revolution, the country is once again in the routines of the years which preceded this revolution, in genuine cooperative ventures.

"We are keeping very close tabs on this development, through this Nordic project, to be precise. Norway is allocating approximately 30 million kroner to the joint Nordic cooperative project in Tanzania, and this allocation will cover a 6-year period," Foreland said.

DANIDA, the Danish development agency, is coordinating the joint Nordic effort. "We in Norway are particularly interested in working on the cooperative venture entirely in the Rukwa region, where NORAD has made progress on a far-reaching water project."

"For several years now, we have pursued development work in Rukwa, especially in the area of water," Foreland said. "We have now established agreements about district expansion in the region and we also want to contribute towards increasing food production. I do not disregard our ability to aid cooperation on production in Rukwa, which has great potential to increase agricultural production."

But NORAD has not yet entered into broad, bilateral (country-to-country) development where support of the new policy on cooperation in Tanzania is concerned. The venture is limited to what can come out of the joint Nordic project. This is as far as Gunnar Foreland goes.

Tanzanian authorities have admitted that the state's forced ventures largely failed. That a new approach is necessary emerged clearly when Julius Nyerere, the outgoing president, visited Norway earlier this year. His entire agricultural policy has encountered strong criticism both within Tanzania and abroad, and yet the whole time Nyerere maintained that it was right to nationalize agricultural properties to the extent that they were. Since then Nyerere has understood that nationalizing agricultural production was a mistake. This was the policy which got the collective concept of "ujamaa" attached to it. This is a Swahili expression which can be translated as "cooperation."

More than 8,000 villages were set up for cooperative production, in an attempt to create national self-sufficiency.

A major problem is assuring farmers a reasonable payment for their products. And it was in fact non-payment or very late payment which caused the agricultural population to oppose the "ujamaa" system. After the system had been in existence 5 years, it was stated in 1981 that the country would return to the old way of doing things.

12789/6662
CSO: 3498/3

ZIMBABWE

MUGABE ADDRESSES NATION IN NEW YEAR MESSAGE

Harare THE HERALD in English 1 Jan 86 p 7

[Text] The following is the full text of the Prime Minister's address to the nation last night:

At midnight tonight we shall have completed another journey of exactly 365 days spanning the year 1985. You will no doubt agree with me that the year just gone has been one of our most eventful years since independence. Not only was it marked by dynamism, hard work and improved performances across our socio-economic sectors, but it also saw what will go down as one of the most vigorous general election exercises to have been undertaken by our nation; while our national image and status were, to the job of our young nation, immensely enhanced by the honour conferred upon us by the Non-Aligned Movement in choosing Zimbabwe both as its host for 1986 and chairman for three years thereafter.

I am sure you will agree with me that the major events constituting, on the positive side, the peaks of 1985 performance or, on the negative side, its thoughts, must, as we close the year, be brought to the fore for reappraisal.

WISDOM

Both the positive and negative sides to our national performance, that is our successes and failures, are sources of knowledge and experience. Whatever we have done well we must improve upon so we can advance. And whatever we have done wrongly we must correct, so we can adjust and also move forward. So wisdom emanates from the interaction of our positive and negative experiences.

As you will recall, we began the year not quite certain whether the rains which had begun well would remain sustained and fill our rivers and dams. But, except for the obstinate Kyle Dam, we were overjoyed when all the other dams, following in the wake of Lakes McIlwaine and Darwendale or preceding them, overflowed. That, indeed was sufficient signal that the farmers should set to work and work hard for bumper crop harvests awaited them. And the farmers indeed worked hard. We say to them, "Well done and keep it up".

Bear with me as I recite for you the statistics of our proud agricultural success. Our maize intake for 1985 stands at 1 825 000 tonnes worth \$325 million versus some 942 000 tonnes worth \$131 million produced last year. Our tobacco (both virginia and burley) yield was last year 125 million kg worth \$255 million as against 109 million kg valued at \$390 million this year. Thus, although there was a slight drop this year in the volume sold, the tobacco earned a greater value than last year's crop.

COTTON

Our cotton production this year was over 295 000 tonnes worth \$193 million; compared with 250 000 tonnes worth \$135 million yielded last year. The soyabean crop was a lower yield of some 85 000 tonnes compared with 90 000 tonnes last year, whose value was \$26 million in 1984 and \$33 million in 1985. To date the wheat crop sold to the GMB is in the region of 205 000 tonnes this year, valued at \$59 million compared with 98 000 tonnes last year, valued at \$25 million.

Our sugar production stood at 412 000 tonnes in 1984 and the same figure applies this year at a value of \$100 million as compared with \$95 million last year. Our coffee (11 000 tonnes) and tea (15 000 tonnes) products have all maintained good production levels, Sorghum has shot up from 21 000 tonnes last year worth \$3 million to 81 000 tonnes worth \$14 million. Mhunga was only 4 000 tonnes last year valued at \$1 million as against 41 000 tonnes this year worth \$10 million. Rukweza (rapoko) was last year only 400 tonnes worth \$100 000 compared with 12 000 tonnes worth \$4 million this year. Sunflowers (12 000 tonnes) and groundnuts (5 000 tonnes) last year rose only slightly to 13 000 tonnes and 7 000 tonnes respectively.

On the side of our livestock, especially cattle, some 430 000 cattle were marketed through the Cold Storage Commission for \$110 million, while this year's estimate stands at only 380 000 head valued at \$95 million, a drop of some 50 000 head which explains our current meat shortage. However, on the dairy side there is a much brighter picture, for some 188 million litres of milk were marketed for \$66 million last year as compared with an estimated amount of 200 million litres this year, costing \$80 million.

The total value of our agricultural output, including livestock, received by us up to June was \$367,5 million as compared with \$282,8 million last year. The increase amounts to 30 percent.

The Government is committed to a policy ensuring the viability of agriculture. We shall thus continue to provide the necessary incentives, as much foreign currency as possible, plus other facilities for the procurement of spare parts and other much-needed agricultural equipment. At the same time, however, special attention will continue to be given to the role and status of the worker in such a way as to ensure that his welfare will not suffer, though without undermining his productivity. Maximum co-operation must continue to exist between the Government and the farmers, whether large-scale or small-scale and peasant, so that the national objectives we set ourselves are not ignored, but fulfilled.

PEASANT

In the peasant sector the Government will, in the context of the new five-year national development plan due to begin operation soon, try to accelerate the resettlement programme and revolutionise peasant agriculture and the peasant style of life in many ways that will become clearer and clearer as the plan unfolds.

That the peasants have, since independence, made an immense contribution to national development, including high agricultural performance and the provision of an infrastructure for social services, such as education and health cannot be denied. Much more, however, remains to be done if rural life is to improve. Further reference will be made to the role of the peasants when I come to the subject of the five-year national development plan.

Agriculture, although a priority economic sector for us, is by no means the only sectoral resource we are exploiting, for we also have viable mining and manufacturing sectors, apart from the infrastructural and human resource sectors. With reference to mining, our major materials, as you are aware, are gold, asbestos, chromite, nickel, iron ore, coal, copper, silver and tin, all of which are of great assistance to our economy, especially in respect of our foreign exchange position. Over the year ended June 1985 the value of our mineral output increased by over 19 percent over the previous year to \$602,7 million, gold being the main single contributor with 38,1 percent as its input towards that total amount. The sector will also receive serious attention over the next year and generally under the new development plan.

Our manufacturing sector, which up to the middle of 1984 was fast declining because of a combination of factors such as a shortage of foreign exchange, contraction of consumer demand, and a change in the regional market situation, began improving during the second half of last year, and showed a substantial advance at the beginning of this year. The marked growth in output of up to nearly 16,4 percent by June was due largely to improvements of about 60 percent in the textile industry.

Drink, tobacco, paper and printing, chemical and petroleum products, non-metallic products, clothing and footwear, metals and metal products all experienced marked improvements in output.

DECLINES

But transport equipment, foodstuffs, including stockfeeds, experienced declines. Generally, however, the manufacturing sector has shown an upward trend because of increased demand in both the domestic and export market.

Again, we pledge ourselves to assisting this sector by increasing, as the situation permits, foreign exchange allocations--a trend which began during the second half of 1985 when such allocations went up by 30 percent. We hope increases in foreign exchange allocations will result in capital investment and increased import of industrial raw materials.

Construction over the year has not shown any significant improvement. It is our hope that, when the Government under the new development plan undertakes various capital expenditure projects, recovery will be assured.

In the retail trade sector, I am sure you will admit, as consumers in a festive mood, that consumer spending must have been high this year, especially over Christmas and New Year. I think retailers of various wares and merchandise are a much happier people this year than last year, when, although the retail sales went up by nearly 11 percent, they still complained of business being slack and shortages galore. The increase in foreign exchange allocations to the manufacturing sector, plus the July wage increases across the board, not forgetting the dramatic rise in the peasants' purchasing power after crop sales, injected some muchneeded buoyancy into the retail trade sector.

If business was brisk in the domestic market, how was it in our external markets? I recited to you a while ago some statistics of our crop production in 1984 and 1985 respectively. But not all those huge volumes are consumed by us, except in the case of wheat where we are short and might have to import some 40 000 - 50 000 tonnes to tidy us over the year. We have been exporting maize, tobacco, cotton, coffee, tea, sugar and beef.

As you know we have been allocated a sugar quota of 30 000 tonnes and a beef quota of 9 000 tonnes as exports to the European Common Market under the ACP-EEC Convention (the so-called Lome Convention). Apart from primary agricultural exports, we also export large quantities of our minerals, including gold. So do we export manufactured products, especially to countries in our region. Our export performance has continued to improve, thanks to a more aggressive export drive, continuing restraint on imports, and a realistic exchange rate policy. As a result our overall balance of payments surplus is expected to be more than \$252,3 million achieved in 1984 and will enable us to increase foreign exchange allocations.

Zimbabwe is one of the few developing countries to have responded quickly in 1983-84 to the upturn in the world economy, following world recession and a three-year drought period. As I indicated earlier, our major productive sectors of agriculture, manufacturing, and mining have continued to show improvements which should result in an overall growth rate for the whole economy of between 4 and 5 percent in real terms and possibly higher, compared to about 1,3 percent for 1984.

INFLATION

The ordinary person complains, as I do, of never-ending, indeed, rocketing price increases affecting consumer goods. Well, our rate of inflation, which on the average was 19,7 percent in 1983 and 16,1 percent in 1984, was considerably contained in 1985 when it averaged 8,7 percent during the first nine months. But of course you are justified in retorting that this average percentage must have recently risen in view of the several, albeit necessary price increases that occurred in the final part of the year. Action will naturally continue to be taken to keep the inflation rate within reasonable limits.

Overall, the prospects for sustained growth are good, but we have constantly to remember that there are those exogenous factors outside the control of our Government, such as the weather and world economic developments which might, as they occur, affect our economy adversely. On our part, I can assure you that we shall always remain vigilant over our economy and determined to achieve balance as well as growth.

I decided to dwell at some length on the material sectors of our socio-economic system, so you can have some idea of how we, as a nation, have striven to create the wealth we need to keep our society nourished and advancing. But let me now turn to the Government services, the public sector, that is.

Every financial year, the Government budgets for a given expenditure on the services and activities it engages in for the promotion of social, economic and security objectives. Revenue is then voted by Parliament to meet such budgeted requirements.

EDUCATION

In the July Budget our total vote, constitutional and statutory appropriations came to \$3 644 627 000, an increase of over \$76 million over on the previous Budget.

The largest vote is that for education which is \$562,25 million, followed by defence \$457 809 000. This order of priority is not fortuitous. It results from the emphasis we place on the needs of our society.

As you are aware, education has been a function of our Government and society which has indeed become our preoccupation. You will admit, I am sure, that it has been an area of great achievement. In terms of both the increase in the number of primary and secondary schools and school enrolments over the last six years, the progress made has been spectacular. We expect the primary schools, now 4,234 and enrolling 2 229 396 children, to increase slightly in 1986 with a total enrolment of 2 469 219 children. Our secondary schools, which number 1215 with 497 766 children, are expected to rise to 1269 schools in 1986 with 659 934 children. Emphasis on education will now be placed on its quality, which means, apart from improving school facilities, the training of teachers of a higher academic and professional calibre. At the moment there are 56 358 primary school teachers, most of them well trained, and 17 498 secondary school teachers, most of them untrained.

Our university has, since independence, made admirable strides in both quantitative and qualitative terms. We congratulate it on its recent results and general performance. We expect its enrolment to exceed 6 000 in 1986.

Over the whole period of the last six years we have had the opportunity of examining not only the educational system of our country, but also the status of the teacher and the problem of lack of uniformity in the existing conditions of the teaching service. Accordingly, it has now been decided to make all teachers in the service public servants as from a convenient date to be fixed next year. I hope this will create uniformity of the

conditions affecting teachers and bring about contentedness on the part of those teachers in private schools who have, all along, felt grieved by what they regarded as unfair discrimination against them.

In the sphere of health we have managed over the year to register great improvement in expanding our health facilities, advancing primary health care, promoting family planning, and maintaining the training of medical professionals and participation in health conferences held within and without the country. Under the five-year national development plan health care, especially in rural areas, will be given strong emphasis as the number of village health workers rises towards the target of 12 500 by the year 1993.

RURAL

Alongside the areas of education and health, perhaps even more deserving of our attention than these, are the areas of local government, rural and urban development, lands, agriculture and rural resettlement, community development and women's affairs, youth sport and culture, natural resources, energy and water resources, construction and national housing, transport and communications, which call for an intensification of our efforts under the new development plan so we can succeed in bringing about significant transformation to rural life.

No doubt, a lot of already been achieved by creating new resettlement areas, by organising agriculture, building dams and irrigation schemes, providing energy and water, building roads and bridges, extending postal communications services, establishing women's and other co-operatives, promoting women's self-reliance projects, women and youth training schemes, youth self-reliance projects, small-scale industries, literacy campaigns, and pilot housing schemes for rural resettlement areas. Much more remains to be done in these areas in order to reduce the urban-rural imbalance and concentrate more effort where most people live, at the same time paying attention to the protection of the environment and the achievement of an ecological balance.

That is why, following the three-year transitional national development plan, we have had to prepare a more comprehensive plan extending over a five-year period from 1986. Let me now come to the plan itself. The five-year national development plan (1986-90) is aimed at taking advantage of the upturn in the economy and setting growth on a long-term basis only a socialist path. Only through a well designed comprehensive plan can we restructure and re-orientate our economy in a way which makes it more responsive to the needs of society. Thus, over and above the objective of achieving high and sustained rates of growth and development across the sectors and in the interests of all our people, the plan is designed to change the ownership and production relations of the structures of the existing economy as a strategy for creating a national and socialist economy.

This means, of necessity, that the proportion of the means of production owned by Zimbabweans and the State will be progressively increased at the same time as we shall endeavour to establish a self-sustaining production

system with respect to provision of capital goods and industrial raw materials.

Our Government's expenditure pattern will have to be reorientated towards increasing the proportion of investment in material sectors relative to social sectors. The plan will also seek to lay the foundations for scientific and technological structures designed to draw on the world corpus of science and technology, but encouraging and promoting, at the same time, the development of endogenous capacities with a view to reducing undue external dependencies.

SKILLS

The plan will pay attention to the development of our human resources through accelerated programmes of skills training conducted at new and existing institutions as well as on the job, under the auspices of the Ministry of Labour, Manpower Planning and Social Welfare, working in conjunction with relevant ministries.

The new development plan envisages in its investment strategy an average annual growth rate of 5 percent in GDP terms, as compared with our population growth rate of 3 percent per annum. It is hoped therefore that as that growth rate is maintained, the objective of creating additional employment opportunities would, to a large extent, have been fulfilled.

As mentioned earlier, a new development thrust across the sectors, involving more Government participation in agriculture, industry, commerce and mining made through the relevant ministerial arms, would certainly effect the transformation desired.

The success of the plan does not depend merely on its realism, but also on its acceptance by the society as a whole. The Government has ensured, in preparing the plan, that an identity of thoughts and objectives between it the party and the people exists. Pursuant to the directives of the Second Congress of Zanu (PF), the Central Committee of the party prepared a five-year development programme which it submitted to the Government and which provides the philosophical basis of the plan as well as its major objectives and strategies towards the establishment of a progressive, socialist-oriented national economy.

FORMULATION

At the grassroots the people themselves have been involved in the formulation of the plan through the activities of the village development committees, ward development committees and district development committees co-ordinated and synthesised through provincial development committees under their provincial councils for central government consideration. At various inter-ministerial and inter-sectoral levels, committees of officials have analysed and synthesised the many elements which have entered into the plan and passed it on to the Cabinet Committee on Development, with the Ministry of Finance, Economic Planning and Development co-ordinating the work at all these levels. Finally, the plan was submitted to the Cabinet for its approval.

Against this comprehensive preparatory background and in the light of the experience gained in the course of the three-year transitional national development plan now ended, I am confident that the five-year national development plan will not only constitute a highly disciplined framework for planned development, but that it will also provide the necessary policy guidelines and quantitative targets to attain which the nation will be called upon to mobilise its financial, material and human resources.

The plan, you will say, sounds grand and progressive. But whatever plan, programme or project we seek to implement can only succeed in a context in which our society is at one, enjoys maximum peace and security, and maintains a high level of discipline.

As a nation we have accepted a democratic political order enshrined in our Constitution. Twice now, first in 1980 and second in June this year, we have gone to election and, on both occasions, the free and fair election exercise has yielded a resounding victory for my party. Let me once again thank you, the people of Zimbabwe and our nation, for your confidence in my party, in my leadership, and in my Government. May I assure you that your wishes will remain our law of action! For, Government is Government by your wish!

There are those very few amongst you who will not allow themselves to be bound by the wishes of the majority of our people and who continue to resort to lawless acts of brutality and harassment in Matabeleland in order to achieve their political objective of putting their party and leadership in power. At the same time South Africa, in addition to being a sponsor of these dissident and bandit activities destabilising our country, is now seeking to attack us for the irreversible insurgence of non-whites caused by her own evil system of apartheid.

FORCES

In these circumstances of external and internal hostility the role of our security forces, that is, of the army, air force, police and prison forces, becomes critical. I take this opportunity, on behalf of our Government and the people of Zimbabwe, to commend the people's forces very highly for their loyalty, dedication to service, vigilance, discipline and efficiency. I trust they will keep these ideals afloat! For we cannot afford to be complacent in circumstances in which both the internal and external enemies of Zimbabwe are plotting to destabilise and ruin our sovereign independence.

This also is an opportunity for me to commend our defence forces for their high-level performance in the joint military operations we are engaged in with the FAM forces in the protection of our communications lines in Mozambique. The enemy has indeed been dealt a series of severe blows. I trust our gains will soon be consolidated so the enemy can be completely annihilated.

Our involvement in the Mozambican anti-bandit operations is neither an act of charity nor an act merely to enhance Mozambican independence and our own,

but one which also will help to create peace in our region. We harbour no aggressive designs against our neighbours, all of whom, except the South African apartheid regime, reciprocate in maintaining the policy of peaceful co-existence with us.

At our independence we became a member of the Frontline States forum; a member of the OAU; of SADCC and of the PTA; to mention only those organisations in Africa. But as you know, in 1980 we also became a member of the United Nations, the Commonwealth and the Non-Aligned Movement. Although non-aligned, we have maintained diplomatic and other bilateral relations on the basis of friendly and reciprocal co-operation in various fields with both Western countries, and Eastern socialist countries, as, indeed, with developing of Third World countries.

I have, in order to enhance Zimbabwe's friendly relations abroad, paid official visits to most socialist countries (and only early this month to the Soviet Union and Austria). I have visited most Western countries (including the United States); have paid visits to China, India, Pakistan and Japan and recently to Cuba, Nicaragua and Guyana. Over and above these visits there have been those to several African countries. We thus have now established ourselves as a nation among other nations, big and small. It is not surprising, therefore, that Zimbabwe has been chosen as the venue for the next non-aligned summit: Let us strive to live up to the expectations of our friends and allies of the Third World.

The dignity of our nation flows from the behaviour of its people, especially that of its leadership at various strata of our society. While this behaviour has generally been good, several instances of bad behaviour, corruption, nepotism and drunkenness have come to light. I can assure you that where these incidents come to light, those responsible for them will be severely dealt with.

WORKED HARD

On the whole, however, the behaviour of our people is to be commended. We have all worked hard over the year--whether as farm labourers, or as mine-workers, industrial workers, commercial workers, or as peasant or large-scale farmers, or as civil servants, or as judges and magistrates, prosecutors and defence lawyers, or as members of our security forces, or as teachers, lecturers and professors or as students and pupils, or as farmers, businessmen or entrepreneurs across various sectors, or as families with our fathers, mothers and children, or as churches and missions with our members of the clergy and congregation, or as voluntary organisations, or as women's clubs and youth clubs, or as political parties and as the Women's League and Youth League, or as co-operatives and their co-operators, or as hospitals and clinics with their devoted doctors, nurses and their patients, even as pastimers and tourists, and (why not?) as boyfriends and girlfriends, and later of course, as brides and bridegrooms; and lastly but not least, as chiefs and headmen, and as Members of Parliament and senators, Cabinet ministers, the Prime Minister and the State President.

VIGILANCE

I say to you all well done! Makorokoto! Amhlope! for a successful 1985.
We all worked hard and that is why we are eating well!

I am confident I can count on you, the nation, once more, and in the context of our five-year national development plan, to move forward once again with determination, vision as well as vigilance, in particular given the geopolitical position of our country and the relentless struggle we must wage to achieve growth and development. We have to restructure and develop our economy and with it our society. The five-year national development plan enjoins everyone of us to work and work hard to achieve that goal.

Forward with the first year of our five-year national development plan!

Pamberi negore rekutanga rehurongwa hwekuvaka nekusimudzira nyika!

Pambili ngomnyaka wokuqala wokwaka lokuphakamisa ilizwe.

Let this theme inspire us to move forward as a united hardworking loyal, and disciplined people!

HAPPY NEW YEAR! ENJOY YOUR SUCCESS!

12828

CSO: 3400/856

ZIMBABWE

REFUGEES REPORT HIGH DEATH RATE AT DUKWE CAMP

Johannesburg THE CITIZEN in English 4 Jan 86 p 13

[Text] Many people died every month at the Dukwe refugee camp in Botswana from "terrible" living conditions, according to Zimbabwen refugees returning home.

Zimbabwe's leading daily, THE HERALD, said yesterday that they have been told of severe food shortages and poor health conditions which have resulted in frequent outbreaks of fatal diseases in the camp. The refugees, who arrived back home in December 23, said at times they went without food for days.

The newspaper quotes them as saying "many die in the camp monthly because of various diseases." They painted this disturbing picture of Dukwe during a meeting with the Minister of Home Affairs, Mr Enos Nkala, who praised the Botswana government for its cooperation in the repatriation exercise.

Mr Nkala said the 115 refugees--six of them women--had been screened and were free to go to their homes. They had assured him that they had not been harassed during the screening, the Minister urged them to write to their friends at the camp and tell them it was safe to return.

This, the second batch to return, brings the total to 133. It is estimated that there are still over 1 000 Zimbabweans among the 4 000 refugees living at Dukwe camp.

Mr Nkala has called for the repatriation of all the Zimbabweans at the camp which, he said, "Should hold only genuine South African refugees."

12828
CSO: 3400/856

SOUTH AFRICA

COUNCIL FOR HUMANITIES RESEARCH REPORT VIEWED

Johannesburg DIE VADERLAND in Afrikaans 16 Oct 85 p 10

[Editorial: "A Fresh Look at Apartheid"]

[Text] The Afrikaner is taking a fresh look at the system he for so many years saw as both essential to his survival and fair to others. In the process he is not only analysing it with far greater objectivity, but is also looking at it through the eyes of those of other colors.

His findings and deductions are sometimes iconoclastic, like parts of the RGN [Council for Humanities Research] report "Political Cooperation in a Basic Legal Order in South Africa." Even the enlightened Dr Willie Breytenbach finds it necessary to hedge here and there.

We doubt whether the average Afrikaner nationalist, even among the reasonably enlightened, has ever thought of the Population Registration Act as the root of the trouble that now exists in intergroup relations. Or that it was this that gave rise to race laws like the Group Areas Act.

What we are in fact increasingly obliged to admit in so many words is that the apartheid system was not simply intended to keep White and non-White separate.

Even if with a hint of discomfort, it is more and more acknowledged among Afrikaners themselves that it is chiefly aimed at perpetuating white rule. The most important reason is that black rule is seen as the only alternative. It is the task of today's reformer to find the third option.

To simply sweep the Population Register Act and the Group Areas Act off the table will not, however, bring us closer to that option. Rather it puts us in range of the unacceptable alternative.

The way to the acceptable third option is along federal lines, with group protection and representation that does not rest proportionately on numbers. That means the keeping of separate voters rolls. And because our population groups are so intertwined geographically, the basis of representation has to be ethnic.

At any rate that is the way people are thinking nowadays.

One of the problems with the Population Register and Group Areas laws is their relentless classification from the cradle to the grave. There is no element of choice built in to soften it.

As a result of the repeal of the Immorality and Mixed Marriages laws and the Prohibition of Political Interference Act the need for precisely such changes is knocking on the doors of the other laws. Thus, for example, an application on the part of a recently married mixed couple in the Orange Free State to settle in a white area is now being considered.

There is no doubt that the last word on the Population Register Act and the Group Areas Act has not yet been spoken.

12906/12859
CSO: 3401/11

SOUTH AFRICA

FUTURE OF AFRIKANER IN AFRICA DISCUSSED

Pretoria DIE TRANSVALER in Afrikaans 17 Oct 85 p 10

[Article by L.M. de Plessis: "Africa's Heart Wide Open"]

[Text] Africa's heart is open to hundred percent Africans. That is the lesson to be learnt from the situation in which the Republic finds itself, writes Professor L.M. du Plessis, editor of WOORD EN DAAD ["Word and Deed"], in the most recent issue of that journal of opinion.

We have reached a point where optimism no longer comes cheap. One has to be exceptionally thick-skinned not to view the present state of the country with concern.

Without stepping wide-eyed into the trap of cheap optimism, it is nonetheless possible to see the good side to current developments.

Much of this touches on the future of the Afrikaner and the white man in South Africa. But to separate the good from apparent (or actual) chaos calls for the most deep-going critical self-examination--almost something like self-exposure or unbosoming.

That is more easily said than done, precisely because some politicians and community leaders encourage people (and especially Afrikaners) to be so "unashamedly Afrikaans" that they have to take care not to take too much blame on their shoulders for what is and has gone awry in the country.

Since the early sixties when more and more African nations began to become independent, many Whites and especially Afrikaners have pointed scornfully and disparagingly to the lack of success achieved by young African nations and their frequently inexperienced political leaders.

The tacit assumption on which the disparagement of "black" Africa's politics and politicians has always rested is that South Africa is a jewel of stability in a traditionally "dark" continent of turbulence and unrest.

That many of black Africa's problems and shortcomings were aftereffects of white colonialism is to a great extent conveniently overlooked.

Likewise the fact that many of South Africa's "successes" were/are "thanks" to the exploitation of black people in a variety of spheres of life.

The good, the positive in current developments is that we are being stripped of our pretensions and our pet prejudices are being vigorously knocked down.

We are learning the important lesson that the most liberating insight you can have into yourself is that you are not actually better than anyone else--and that goes for your culture, your civilization, your competence and, in short, your people and/or your "kind."

Naturally we pay a stiff school fee to learn this lesson--we pay it simultaneously in installments.

Despite the abundant natural resources we are always boasting about--as though we gain something by it--our economy staggers forward drunkenly.

It is clear that the people in whose best interests white people thought they were doing so much are no longer content to stand waiting with their hands held out for whatever gifts and favors it may please "the masters" to bestow on them: they want to fight their own freedom struggle and have plenty of reason to (want to) do that.

The manner in which certain fragile foreign relationships and sensitive international questions have recently been handled and the clumsiness with which our politicians try (have tried) to play cat-and-mouse with world opinion would have made even some of the dictators of banana republics blush.

And many of the dubious means of political coercion used in less successful African nations are also built into the way in which "people who don't want to cooperate are put in their place."

There is one difference, however: the South African laws that underwrite the application of these means of coercion are unique and at the same time almost unequalled in severity and far-reaching effect--in the "first" as well as the "third" world.

We don't however simply have to sit pulling out our guts like wounded baboons. In the sure knowledge that the progress and conclusion of history are in God's hands, we cannot do other than believe that countless opportunities lie hidden precisely in our difficulties.

We are becoming fully Afrikaans for the first time--that is to say, Afrikaners primarily from an African (and not Western) viewpoint.

This is all happening in an essentially un-Afrikaans (first) world whose most lively memory of its intimate colonial connections with Africa is (rightly) a tremendous guilty conscience.

If we want to remain in South Africa as white Africans, it will increasingly be demanded of us that we become less Western and more African, indeed that we make sweeping cultural adaptations and especially that we get rid of our Western illusion of superiority.

This at the same time also the question paper for the test we will have to write by and by. And as preparation for that test we will have to learn at once to identify unconditionally and very concretely with the fellow Africans we disparaged in the blindness of our pride.

This way we will unfailingly get to know a singular dimension of God's grace over all of us--a grace that can readjust our perspectives so that we can substitute for our fears and jeremiads about what may lay in wait for us on the way ahead a much soberer attitude of "building the future together--come what may." Africa's heart stands open to unashamed, hundred percent Africans!

12906/12859
CSO: 3401/11

SOUTH AFRICA

SITUATION IN ANGOLA DESCRIBED

Johannesburg DIE VADERLAND in Afrikaans 21 Oct 85 p 10

[Editorial: "Destabilization in Southern Africa"]

[Text] There are indications of increasing involvement of the great powers in Southern Africa.

The recent conventional FAPLA [People's Armed Forces for the Liberation of Angola] attack on UNITA with five armored brigades is interpreted in some circles as the result of increased armament supplies from the Soviets. There are estimated to be some 700 Russians in Angola, officially as military attaches. There is, however, good reason to suppose that they play an active part in the struggle against UNITA.

In the United States the so-called Clark amendment prohibiting help to UNITA was recently repealed. Last week the State Department announced that the United States of America in principle supports the UNITA forces in their struggle against the Marxist government in Angola. The administration does not, however, propose material support.

This can be interpreted as another cautious step by the Reagan administration in the direction of active involvement in the struggle. There is speculation that the greater Soviet involvement is precisely aimed at testing how far President Reagan will or can go.

It is reasonably certain that the Reagan administration will want to get more directly involved. But the Congress is not much inclined to such adventures. It is known that President Richard Nixon's efforts in Angola were cut short by the Congress. The same can happen with President Reagan.

It would thus be very unwise for South Africa to become actively involved in the military struggle in Angola. On the one hand experience has taught that it cannot depend on secret American promises.

On the other hand it can lead to greater Soviet involvement. Under a military treaty of May 1983 Moscow promises to protect Angolan sovereignty if it is threatened by a foreign power.

How far the Soviet Union will go in honoring this treaty will also depend on the extent to which its own prestige and interests are at stake.

South Africa can only regard these developments with concern, because they mean increasing instability in the region.

6 February 1986

SOUTH AFRICA

SLABBERT'S PROPOSALS TERMED SIMPLISTIC

Cape Town DIE BURGER in Afrikaans 27 Oct 85 p 26

[Editorial: "Simplistic Advice"]

[Text] The "encouraging" message that Dr Van Zyl Slabbert, leader of the Progressive Federal Party [PFP], brought back with him after his visit to five Western countries is that the momentum that the debate on sanctions against South Africa has gained can be halted. All that is necessary is a courageous political initiative by the government.

It's as simple as that!

Did Dr Slabbert perhaps use the opportunity to thoroughly enlighten leading figures abroad about the courageous political initiatives that President P. W. Botha has taken under the most difficult circumstances, which have already brought radical changes?

On the other hand, it must of course be remembered that the PFP leader has up to now not tended to give much recognition to the government's on-going reform processes. On the contrary. From the outset, he and his party have, with their boycott attitude, attempted to throw one monkey wrench after another into these reforms.

Dr Slabbert could have scarcely had reason to boast about what his party has been able to do in order to get constitutional talks in South Africa under way. After all, this has been one failure after another.

On the other hand, Mr Botha and the National Party [NP] are, despite the foginess of the Left and the far Right, purposefully moving towards creating a new South Africa for everyone who believes in peaceful change. The new constitutional deal for Whites, Coloreds and Indians is only one sign of what the NP's initiatives have already produced.

Talks with Blacks are under way, although it is true that they are not as public as one might like. Even the ANC can join in the talks, the condition for participation in such talks being that it renounce violence as a means for effecting change.

Dr Slabbert certainly knows all these things. But at his press conference on his return, he gave no indication of having enlightened South Africa's critics about this. If he did not do so, then he should not talk now about a courageous political initiative by the government to improve South Africa's position internationally. Through his silence, he has failed to take a courageous initiative himself, so that South Africa's critics could be better informed about what is in fact being done here.

12271

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SOUTH AFRICA

UNIVERSITY OF PRETORIA STUDENTS OPPOSE MULTIRACIAL CAMPUS

Pretoria DIE AFRIKANER in Afrikaans 30 Oct 85 p 3

[Article: "Majority of University of Pretoria Students Against Multiracial Campus: Students Entirely Unconsulted"]

[Text] A majority of students at the University Pretoria will vote in favor of an exclusive white campus next year.

That is the prediction of Mr Gerdus Kruger, chairman of the Afrikaner Student Front, a right-wing student organization at the university. Mr Kruger was commenting on recent events when a great majority of students voted against the admission of nonwhite students at a mass meeting. A secret ballot on the admission of nonwhite students will now be held among students next year.

Mr Kruger says he has no doubt that the majority of University of Pretoria students are against the opening up of the university. Many students had come to the university in recent years precisely because they did not want to attend the Rand Afrikaans University or the University of Potchefstroom. Both these universities have already been opened up. He believes the mass meeting was an accurate reflection of the feeling of the broad mass of students.

The mass meeting grew out of a decision by the governing body of the university on 5 August also to admit nonwhite students at the University of Pretoria. An earlier decision according to which nonwhites would only be admitted at postgraduate level was thereby changed.

The motion accepted by the mass meeting reads: "The mass of University of Pretoria students wishes to express itself as strongly as possible against the fact that the students were in no way recognized in a policy change on opening up the campus that will affect their campus life; feels strongly that the University of Pretoria should be an exclusive white university that aims at the development of Afrikaner culture; directs an urgent request to the university council of the University of Pretoria to reverse the decision on opening up the campus to all races.["]

In his speech at the mass meeting, Mr Kruger said that he begrudged no population group its own educational institutions, but the students of the University of Pretoria demand the same right for themselves. That is why universities such as Medunsa and the University of the North were created.

Mr Kruger observed that in 1982 the vice-rector, Professor Piet Oosthuizen, had given an assurance to students at a mass meeting that nonwhite students will only be admitted at postgraduate level. That decision had now been changed, although for a long time it was pretended that no alteration had been made. Why was it decided to implement the decision quietly?

He objected to the fact that students were not consulted before the decision was made, Mr Kruger said. Why shouldn't students have a say in determining the character of their campus?

"Does this mean that student opinion is totally irrelevant--that we are time and again to be like the tail coming after the dog and imply say yes and amen, while black and colored students demolish their campuses and throw acid at their teachers if they don't get their way? Let's tell the university government tonight: You can take away all our say and try to treat us like children, but you will not break down our ideals. You will not destroy our desire for a distinctive identity, and you will not make an Indian feel at home on the campus," Mr Kruger said.

12906/13046
CSO: 3401/39

SOUTH AFRICA

CONSERVATIVE VIEW ON RESOLVING PRESENT CRISIS DISCUSSED

Pretoria DIE AFRIKANER in Afrikaans 30 Oct 85 p 4

[Perspective Column by Gawie: "Artificial Points of Issues Ought Not Divide Afrikaners"]

[Text] The white national or Boer state is still very much in the news here at the home stretch of the important series of interim elections. But while nothing has been said thus far about giving Mr Jaap Marais a chance to present his point of view through the South African Broadcasting Corporation's Television, the recent congress held for this national state was thoroughly discussed in the course of a program.

Yet many questions about this national/Boer state are still unanswered. Evidently, the most important of these is how this sort of state is going to be realized. This is an important question, because many of the advocates of this idea are presenting it as an alternative to the political parties method. Thus, the point of view of these people is that the national/Boer state is not to be established as a result of an election, but in the very absence of it. What they imply (and often express publicly) is that political parties are carrying on a losing battle and that it would be better to dedicate energies to the creation of a national/Boer state.

But how can such a state be realized? Will, at one time or another, a delegation be sent to the government to ask for its consent for such a state after the majority of whites in the northern provinces express themselves in favor of this in one way or another? Or will a petition be addressed to Mr P.W. Botha asking him to give his consent for this? However, nobody is so naive as to assume that the government would pay attention to either of such actions.

This question must be answered urgently by those who are propagating the idea of a national/Boer state as an alternative to the party-politic struggle. Until that happens, their point of view cannot be given serious consideration.

A second important question which is still unanswered revolves about the presence of Blacks and other nonwhites within the proposed Boer or national state. All the plans for such a future national state include, for example, the Pretoria/Witwatersrand/Vereeniging area, which contains the greatest

concentration of Blacks in Africa. Johannesburg with its Soweto is a much less viable white area than, say, Oudtshoorn or the Southern Cape coastal area. Apologists for the Boer state would exclude large parts of white South Africa but retain that area having the basic problem of an overwhelmingly black preponderance.

Probably the answer to this will be that the Blacks will be removed from the Transvaal and Free State industrial areas when the Boer state would assume its final form. Why, then, would Whites abandon those areas where the numerical ratio is more favorable for the Whites, those areas which are white historically? If the Blacks can be removed from Soweto for the sake of the Boer state, why then not for the sake of a greater white South Africa?

The primary problem confronting the Whites is that they are continuously being inundated by strangers, especially in the urban and industrial areas. The Boer state does not offer a solution for this, because that state would take in the greatest concentration of Blacks.

Since its formation, the Reconstituted Nationalist Party (HNP) has stood by the premise of a white South Africa in accordance with the Verwoerd principle. According to this principle, the historically white land is to be ruled only by the Whites with the provision of separate freedoms for the other peoples. As Mr Jaap Marais put it in the course of a newspaper interview: "Call it domination or supremacy or sovereignty, but one must maintain dominion over a nation's territory, otherwise ruination will be the result."

Naturally, a scheme of things in which the white man can manage himself in his own country can be attained by first obtaining a victory at the polls. The second step is to dismantle the present constitution, because it is creating the conditions for an intertwined South Africa with the unavoidable political downfall of the Whites.

However, achieving this objective will require dedication, sacrifices, and combativeness from all right-minded Whites. The success of a political struggle will be determined to a large extent by how much persuasive work is done, how many people dedicate themselves to organization, how much money is collected, and so on.

Nobody wants to deny anybody the right to engage himself in presenting an academic prospect of how he would like to see a future South Africa; but such schemes should not give way to cynicism about the role of political parties or, worse yet, about the role of party-politics and the leaders of political parties, because then such schemes will become a divisive factor among people who actually agree on the fundamental principles of Afrikaner-ship and whitemanship. Above all, this will detract attention from the essential conditions for white survival, a victory at the polls, and a government takeover.

Another serious danger is that vital energies will be sapped from the political struggle. This may even cause people to stay on the sidelines and observe the party-political struggle with a passive attitude. Then, if

success is not attained immediately, they will be taking malicious pleasure in saying: "We always told you that party-politics is not the solution!" In the meantime, they themselves have no solution to offer, other than the idealistic drawing of a number of lines on the map of South Africa.

In this time of crisis, it has become necessary for the Afrikaner to exhibit a great deal of realism on the arena of contest, on the primary objectives, and on the conditions necessary for surviving and winning. Moreover, he must not allow artificial points of issues to divide his energies while his future is seriously in balance.

7964/13046

CSO: 3401/37

SOUTH AFRICA

WHITE INDUSTRIAL CENTER TO BE INCORPORATED INTO KWANDEBELE

Pretoria DIE AFRIKANER in Afrikaans 30 Oct 85 p 5

[Article: "White Industries to Black State: Poor Planning the Reason"]

[Text] The frontiers of the black national state of KwaNdebele are once again to be enlarged--this time to incorporate a white industrial growth point.

DIE AFRIKANER has learned in the past week that the owners of lots in the Ekandustria industrial area have already been notified in writing of the proposed incorporation.

The latest addition of white land to KwaNdebele follows on the recent announcement that the whole Rust de Winter irrigation scheme is to be incorporated into KwaNdebele.

The northern section of Ekandustria, which falls within the borders of KwaNdebele, is already overcrowded, whereas the southern white section is underutilized. This part belongs to the Bronkhorstspuit city council. The KwaNdebele National Development Corporation (KNDC) wants to take over the southern section instead of developing a new industrial area at an estimated cost of 100 million rands.

The Bronkhorstspuit city council is opposed to the plan, however, because the white manufacturers received the assurance of the city council that the area would remain white and would not be incorporated into KwaNdebele.

Bronkhorstspuit residents say that the South African half of the growth point, south of the imaginary "Berlin wall" that separates it from the KwaNdebele half, has become a monument of inefficient economic planning.

Ekandustria came into being after vigorous opposition from organized agriculture. The expansion of KwaNdebele to the south was condemned, and both the big planned industrial city, Ekandustria, and the new "Soweto" that was to come into being at Ekangala were branded impractical "paper dreams." The government did not, however, give way.

Bronkhorstspuit received a loan of 30 million rands, but cannot pay the interest on it and has thus repeatedly received extensions of time from the East Rand Development Board.

The Bronkhorstspuit city council has done little to activate the growth point. Only six industries came into being as a result. Nothing came of the big industrial city either, and even less of the "second Soweto."

The chairman of the Commission for Cooperation and Development, Mr Hendrik Tempel, said recently that nothing in South Africa--including the consolidation of black states--was ever final.

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SOUTH AFRICA

CONSERVATIVES SEE INCREASING LEFTIST TRENDS AT STELLENBOSCH

Pretoria DIE AFRIKANER in Afrikaans 30 Oct 85 p 8

[Text] The proposed visit to the ANC by eight students of the University of Stellenbosch has sent a shock wave through South Africa. But this was only the most recent of a series of events which are creating the impression outside its walls that Stellenbosch is being dominated by left and far left concepts and thinking trends.

There is considerable open indignation prevailing among the general public over the intention of eight students of the University of Stellenbosch to undertake negotiations with the youth wing of the ANC. Many Afrikaners are shocked about this, because of the very fact that it was the Maties [Stellenbosch University Students] who came up as the first South African students who want to talk with the ANC and not the Witsies [Witwatersrand University students] or the Ikeys [Capetown University students] as might be expected.

Another significant fact is that those who wanted to go to Lusaka are not the outer elements of the student body, but rather student leaders. Those who would have undertaken this visit are: Philip Verster, chairman of the Student Council, Eric le Grange, editor of the student newspaper DIE MATIE, and Hans Muller, chairman of the student branch of the Church Youth Action of the Dutch Reformed Church. Verster is a past chairman of the National Party's student branch, while another member of the group, Hendrik du Toit, is believed to be a member of the Ruiterswag [Mounted Guard].

How serious the students in question are about such discussions is apparent from the fact that they refused to yield after the rector, Prof Mike de Vries, and the chancellor, Mr P.W. Botha, had dissuaded them from going to Lusaka. The government had to withdraw the group's passports before they gave up their plan. Subsequently a pamphlet, protesting against Mr P.W. Botha, was distributed over the campus after a discussion on a motion of no-confidence in the chancellor was on the verge of being initiated by the student parliament.

It is figured that the feeling that Stellenbosch has been moving to the left has existed over the past 20 years. This process probably started in the sixties when the student council terminated its affiliation with the Afrikaans Student Association. Thereafter, the general public began to get

the impression that there was little left of the "birthplace of Afrikaner Nationalism" which had characterized Stellenbosch in the previous era. Pronouncements made by student leaders were no longer characterized by references to Afrikanership and Whitemanship, but rather by left and even far left sentiments.

Gradually Stellenbosch began to distance itself from such universities as the University of Pretoria. During the same week that the Maties decided to negotiate with the ANC, it was overwhelmingly resolved that Tukkies [University of Pretoria] must remain an exclusive white campus! Moreover, while a right-wing organization like the Afrikaner Student Front is making great progress at Tukkies, more than 100 students recently attended the first establishment of a branch of NUSAS [National Union of South African Students] on the Matie campus. Recently, Maties also took part in a protest demonstration, through the streets of the town, against the proclamation of the state of emergency. Such an action would be inconceivable in universities such as the University of Pretoria.

Leftists and far leftists are evidently not only in control of the Student Council at Stellenbosch, but also of DIE MATIE and DINAMIEK, the latter being the publication of the student Church Youth Action of the Dutch Reformed Church. Both publications practice an editorial policy which is undoubtedly far to the left of the center of South African politics.

As an example, a recent issue of DIE MATIE published a detailed interview with a colored student, a certain Mark Lloyd. (The publication described him as a "black" student. In the interview Lloyd says that he is ashamed to admit to other black students that he is a Matie. "You don't know where to hide your face, especially in these times." So he said.

The next page contains a report on student opinions about Stellenbosch's political role. Anton Steenkamp, a former editor of DIE MATIE, says: "Although in the past Stellenbosch produced prime ministers, history has now caught with it. Along with the Afrikaner, Stellenbosch has become politically irrelevant."

DIE MATIE reports that Dr Allan Boesak, Beyers Naudé, and Van Zyl Slabert were some of the speakers who addressed SAAK, a student association, last year. Notwithstanding, Dr Andries Treurnicht has been invited for next year.

In an article titled "The Tempo of Change," Johan Schoonrad, a law student, says: "The fact that the development concerning the Immorality Act and the Act on Mixed Marriages is praiseworthy is not to be glossed over. However, expecting too much praise for this is like a man running around and seeking compliments just for having held back from beating his wife."

The language of DINAMIEK is no different from that of DIE MATIE. For example, the publication is asking for the opinions of a number of people on the recent "creed" on apartheid by the Ring of Stellenbosch. Out of the six persons who were asked to give an opinion, five of them were in agreement

with the resolution. The sixth person did not wish to make any comments, because he had not yet had a chance to study it. Philip Verster, the Student Council chairman, stated that the resolution provides "positive guidelines according to which many people can begin to re-evaluate the situation in the country." The publication supports the resolution with the concluding sentence in its main article: "The Stellenbosch Ring has courageously issued the statement so that in so doing it will open the road for contact and reconciliation in a polarized church world."

Those who know Stellenbosch say that the present debate within Stellenbosch is being conducted almost exclusively between the left and the far left. There is no talk at all among the faculty and students with respect to the right or conservative point of view.

Characteristic of this is the recent establishment of the Popular Student Alliance, chaired by Nic Myburg, a former chairman of the National Party's student branch. This organization is evidently set up as a counterpart to the far left; however, Myburg himself is being regarded as a leftist by the National Party!

Known for the far left views at Stellenbosch are Professors J.J. Degenaar and André du Toit, who figure prominently in a philosophical association known as the Socratic Association. Their left counterposition on the campus consists of academic persons within the National Party such as Professors Sampie Terreblanche, Willie Esterhuysen, and Julius Jeppe.

One of the most important left-leaning, opinion-forming influences at Stellenbosch is to be found among theologians and preachers of the Dutch Reformed Church. Thus, it is not by accident that a professor of the Stellenbosch Central Congregation, the Rev Carel Anthonissen, was to have accompanied the group of students to Zambia. One of Reverend Anthonissen's co-professors, Rev Jan Hanekom, recently attended the so-called National Initiative for Reconciliation Conference in Pietermaritzburg. The Dutch Reformed Church Seminary at the university is completely immersed in an atmosphere of leftist ideology. Some of the most notorious leftists in the Dutch Reformed Church, such as Prof Willie Jonker, are teaching in this institution.

The National Party itself is much to blame for the spirit prevailing among some students at Stellenbosch which has now suddenly become an embarrassment for Mr P.W. Botha.

For years the Cape Province's National Party has already been using some left-leaning academic people for addressing youth congresses of the National Party and, in so doing, these have calculatingly guided the thoughts of young people in a certain direction. Some left-leaning Stellenbosch academic people have been aided in this manner by the National Party in acquiring a high stature and opinion-forming influence among students.

In the forties and thereafter, one often heard the saying: "Stellenbosch stands for an ideal." This ideal was undoubtedly Afrikaner nationalism.

Does Stellenbosch still stand for this ideal? The picture being cast by the university on the political terrain outside is that of a university which has gotten out of step with a large portion of Afrikaners and fundamental Afrikaner views. Yet, the question of whether this picture is a true reflection of the point of view of the majority of teachers and students remains unanswered.

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SOUTH AFRICA

PFP CONVENTION ALLIANCE PLANS CRITICIZED

Cape Town DIE BURGER in Afrikaans 31 Oct 85 p 24

[Editorial: "An Expensive Lesson"]

[Text] There have been warnings from various quarters, including the columns, that the PFP [Progressive Federal Party] and its leader Dr Van Zul Slabbert, would be rebuffed in their envisaged convention alliance. It thus comes as no great surprise that these plans to start a constitutional debate outside the government have met with much bad luck. Nonetheless it is astonishing how quickly the PFP has once again run aground on the realities of the South African situation; likewise with what transparent maneuvering it is attempting to disassociate itself from this political failure.

The PFP evidently quickly realized that it and Inkatha are unable to lure any other political group worth speaking of into their planned alliance. Some UDF members refuse to sit at the same discussion table with the PFP, while others balk at the presence of Inkatha. And the ANC rejects any national convention.

It was also wishful thinking to expect that the government, which has launched its own initiative for a more realistic constitutional reform debate, would have anything to do with such an obviously opportunistic scheme.

The most recent attempt by Dr Slabbert to put the alliance debacle in order can least of all strengthen confidence in the official opposition. The PFP, together with Inkatha, have withdrawn from the steering committee for the convention alliance because, according to Dr Slabbert, they are regarded as "stumbling blocks" in the way of such a convention. The Prog leader thereby not only distances himself from his own initiative but delivers a damning verdict on the PFP and its image. The "savior" of the country completely frightens other people away!

The problems their convention plans have run into will remain a reality for all future attempts to negotiate about the future of the country in this fashion.

The PFP has learnt an expensive lesson. It is easy to sit on the sidelines and make exaggerated criticism of the government's attempts to carry the constitutional debate further. It is another matter, however, to deal successfully with this thorny problem, all the more so apparently if you look the way the PFP looks.

SOUTH AFRICA

MUSLIMS RATIONALIZING AGAINST GOVERNMENT POLICY

Johannesburg BEELD in Afrikaans 31 Oct 85 p 22

[Text] In the peninsula's Muslim community, which traditionally has been regarded as a stabilizing influence among Coloreds, there are divided opinions about the disorders that are taking place daily in that area. As a matter of fact, in the course of disorders the cry of "djihaad," meaning holy war, has already been heard. In this article, written by our political editorial staff in Cape Town, the question of violence is being treated herewith in the light of Islamic belief, while the opinions of the Muslim community on this matter are being reflected below.

Knowledgeable people in and out of the Muslim community point out two trends among Muslims with respect to the question of what people who practice religion do in time of disorders.

There are those who hold the view that, at least by implication, the Koran speaks out to them against the use of violence and confrontation, especially in the South African circumstances, while others say that violent actions can also be justified by the history of this religion.

In justifying the point of view against violence, mention is made of the fact that the Profet Mohammed followed a policy of peace and concluded a treaty with the Arab heathendom and therefore with a people branded as "infidels" in accordance with the beliefs of Islam. However, in Islamic history there are also clear precedents of violent actions against an authority declared to be unjust.

Moderate Muslim religious in the peninsula hold the view that civil disobedience in South African circumstances is not to be tolerated even once and that in a country such as South Africa, where they are a minority, Muslims must submit to the laws of the country and are obliged to engage in negotiations if they feel that the government system is unjust and suppressive.

This view is shared by Ismail Essop, a professing Muslim and Labor MP for Griekwaland-West.

This group is one of two strong trends in South Africa. They accept the leadership of religious men who have undergone at least 6 years of training in Islamic law and are regarded as being qualified in stating what actions

are to be taken.

The other trend follows the approach of giving the individual greater freedom in interpreting the scriptures of the religion.

In the peninsular disorders the cry of "dijihad" or holy war has already been heard. Moderate Muslim clerics say that there cannot be any talk of such a war in South Africa. Such a war could be waged only if opponents deny the right of worship to Muslims, if Muslims are not permitted to build mosques or are impeded from visiting Mecca.

No such limitations are being imposed on Muslims in South Africa and, according to some Muslim leaders, they have more religious freedom in South Africa than in most other parts of the world.

It is being pointed out that it would, in any case, be impossible to conduct such a war along with people of different faiths such as the followers of the United Democratic Front. Only the Muslim faithful might take part in such a war, because then it would be the "Kingdom of God" waging war against the "Kingdom of Satan." Consequently fighting along with Satan would not be permissible. Moderate Muslims, who do not want to be identified for fear of reprisals (some of them have already received telephone threats) are of the opinion that there is an increasing polarization in the Islamic religion.

Radicals see the opportunity of enhancing the revolutionary spirit of victory among some Muslims, the same spirit that followed the take-over by the Ayahtollah Khomeini in Iran, and to do so even among the Muslims in South Africa. Muslims must then be employed in the "war of liberation" in South Africa. It is being said that under this Iranian influence the moral principles of Islam must acquire a political hue.

According to them, fundamental differences between Shi'ite Islam, which is being followed in Iran, and Sunni Islam in South Africa, are being watered down by the radicals in an effort to get the local Muslim involved in the struggle.

The Muslim's Struggle Between Peace, Violence

Within the peninsula the two thinking directions of how Muslims must respond to the present unrest are represented by the Muslim Assembly and the Muslim Judicial Council.

The Assembly says that it is trying to propagate a message of moderation and that it proclaims the puristic religion as expressed in the Koran. It takes a position against violence.

At the Muslim Judicial Council (MJC) a conference has been called for the purpose of finding out the views of its leaders on this matter. Efforts at this have not succeeded.

In the publication MUSLIM NEWS of the past several months religious leaders connected with the MJC are taking the view that Muslims are a part of the "oppressed" in the country and that they will have to join-in in the struggle against the "racist regime."

In the 24 May issue of this publication an appeal is made to Muslims to use the Ramadan time for "formulating definite measures for confronting the oppressor." In the same issue reference is made to a member of the Council of Delegates, Mr Salam Abram-Mayet, as a "fool in the tricameral circus."

In the 23 August issue reference is made to the question of whether Muslims must collaborate with the "rest of the oppressed" in their confrontation with "the regime" branded as the enemy of Islam. According to the MUSLIM NEWS, following the announcement of the partial status of emergency, Imam Hassan Salomons of the MJC told an assembly of the United Democratic Front that apartheid is evil and that all Muslims must take part in the broader struggle to get rid of it. In the publication attention is given to SAKAS-Sport and the statement is made that mixed sport is a "deception affair." The cancellation of the All-Black Tour is extolled as a victory.

Statements, including those of the MJC, are being quoted where the Army and the Police are presented as "barbarous" and where the statement is made that Muslims have the duty to "stand up and oppose the system." The following quotation from the Koran is presented: "I shall continue to fight on until there is no more cataclysm and oppression and there is total justice and belief in Allah everywhere."

Lately the MUSLIM NEWS has failed to carry any statements made by the Muslim Assembly.

In the peninsula there are approximately 100,000 Muslims. Leaders of the Muslim Assembly think that about 20,000 of them are taking part in actions that are regarded as radical.

According to the moderate the "dijihad" or holy war element, which sometimes surfaces during disturbances in the peninsula, is in step with the techniques followed in Nicaragua where the religious, children and the poor are used for promoting revolutionary aims.

It is being said that, among other things, Muslim students in the peninsula are involved in disruption of school classes; however, some of them are receiving instructions in garages in order to make up for the loss of school time.

Moderates maintain that the Koran declares itself against violence and there are no provisions for civil disobedience. They quote a traditional Muslim greeting which begins with the words: "Peace unto you..."

A moderate Muslim cleric in Cape Town, who does not want his name mentioned for fear of reprisals, says that Islam has a strong aversion to anarchy and does not preach confrontation.

It is being said that due to the lack of instructions in Islamic law there has been a "modernization" and an accompanying radicalization of the faith that has led to the injection of political elements which are far removed from the puristic manifestations of Islam as a moral guideline.

The reverend Allan Hendrickse, chairman of the Ministerial Council of Representatives, is concerned over assertions that money from the Islamic Bank of Jeddah is being channeled to the United Democratic Front through Harare in Zimbabwe. He points to a report in an overseas publication which says that 60 million rand has been passed to the United Democratic Front in this manner. Reverend Hendrickse recently made an appeal to religious groups and their leaders, at the Southern Cape District Congress of his party, to urge their followers to keep calm.

The United Democratic Front Chief Directorate in the Western Cape was approached for a comment on the reported overseas money, but there was no answer.

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SOUTH AFRICA

IMPLICATIONS OF BAN ON FILM COVERAGE OF RIOTS

Cape Town DIE BURGER in Afrikaans 4 Nov 85 p 8

[Editorial: "The TV Ban"]

[Text] Adopting the ban on film and photo coverage in riot areas that was announced this weekend was clearly no easy decision for the government, which has in the past repeatedly come out in favor of freedom of the press. This illustrates a dilemma in politics, where the choices may more often than not be between evils.

There can thus be no doubt especially that the sustained foreign TV coverage that night after night brought riot scenes involving onesided violence into the cosy living rooms of Western countries has contributed enormously to the growing feeling and even sanctions against South Africa.

As the mighty modern medium of communication, it is unfortunately in the nature of TV to frequently deliver a selective message. It is mostly crisis-oriented in its news coverage, and it thus thrives on scenes of crisis--if it can get hold of them.

South Africa, practically the only country in Africa that allows the media freedom of access, has thus lately become a crisis attraction. Blacks who kill off blacks elsewhere in Africa are unlikely to make it onto the world's TV screens, inter alia because it does not fit in very well with the repugnant picture that is so eagerly painted of the white-black stereotype of South Africa. The war dragging on in Afghanistan, a serious case of Russian imperialist aggression, is not depicted on Western TV screens day in and day out, because the cameras are not allowed there. Perhaps that is one reason why there is no talk of Western governments wanting to impose sanctions against the Soviet Union, or even considering them.

Apart from such considerations it has also irrefutably been shown in recent terrorist dramas that terrorists are in a position to effectively manipulate TV coverage--a fact that led Mrs Thatcher to warn that publicity provides the "oxygen" in which terrorists flourish. In South Africa serious suspicion arose that foreign TV teams and rioters manipulated or used one another in similar fashion. Pious protests to the contrary, the presence of TV cameras at least constitutes a definite factor in certain states of unrest.

The South African prohibition will undoubtedly receive unfavorable publicity abroad, and there will probably be attempts to obtain film material illegally in riot areas and smuggle it out of the country. South Africa will have to pay a price, against which the question of whether the ban may contribute to the restoration of peace and order will have to be weighed. If that happens, South Africa will gain most if the greatest possible degree of press freedom is restored as quickly as possible, for sake also of the ongoing of reform, which ultimately holds out the most hope for all the inhabitants of the country.

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SOUTH AFRICA

BLACK ROLE IN PRESIDENT'S COUNCIL VIEWED

Capetown DIE BURGER in Afrikaans 15 Nov 85 p 14

[Editorial: "New Task for the President's Council"]

[Text] The state president's intention to involve the Blacks in the proceedings of the President's Council was taken an important step further today.

At the end of September the state president stated in Port Elizabeth that he is willing to reconsider the composition and functions of the President's Council with the objective of providing black participation.

Yesterday he expressed the desire that the President's Council submit to him proposals or advices on this matter. This represents an open invitation to the President's Council, as an advisory body, to study the effective participation of Blacks in its business and to make recommendations on this.

Such recommendations will naturally affect the President's Council's other important function, namely, that of arbiter in the event of parliamentary impasses. In practical politics it does not appear that Blacks will be getting seats in a body which can exercise deciding functions over the tricameral parliament in which only Whites, Coloreds and Indians are represented.

An alternative which must evidently be examined is whether this function could successfully be transferred to another kind of government body or be handled in other ways.

If so then the President's Council, which since its establishment has occasioned various decisive reforms, will retain its advisory functions; but then this will be with the participation of black members. This body will subsequently be in a position to address the important unresolved problem of black political rights with increased legitimacy.

Hopefully the President's Council will then take on with both hands the special new challenge which is now being directed to it with the aim of soon coming up with reliable answers. Accordingly the demands of the time are that the process of negotiating with the black people must progress rapidly.

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SOUTH AFRICA

ATTITUDES OF AFRICAN NATIONAL CONGRESS SURVEYED

Johannesburg DIE VADERLAND in Afrikaans 21 Nov 85 p 12

[Editorial: "Walls That Crumble"]

[Text] Less than a year ago the ANC's official point of view was that of not being interested in any negotiations other than those having the objective of handing over the political power to it.

But recently a spokesman told our London representative that the ANC does not regard itself as the only power block in South African politics. He referred to the Afrikaner as an important section of the population and even held out the prospect of maintaining the official status of Afrikaans.

We want to admit that this view sounds almost too reasonable to be true. Although we do not doubt that the spokesman in question and other people in the ANC actually feel that way, it is improbable that this represents an interpretation of the unanimous feeling of that organization.

However, although this represents a partial view and although this is intended to create a better picture of the ANC, this is nevertheless important.

This indicates that even in the ANC's case the walls of implacability are about to crumble. Moreover, even if such a process has only begun, it will acquire its own momentum, as we have come to know from our own daily experience.

We have come a long way on this road of crumbling implacability and it was the National Party itself which started this process with the constitutional proposals of 1977. This was the first internal party attack on compartmented and non-negotiable apartheid.

If we look at the actions and statements of Chief Minister Buthelezi, at some of the ANC statements and, yes, at the Labor Party and other political groups it becomes clear that the shift to new ways of thinking is gaining momentum. Our hope for the future lies in this.

While politics are cracking and crumbling the walls of Jericho, the question has come up as to whether the time has not come for taking another look at the basis of the justification of what the ANC leaders have to say.

SOUTH AFRICA

COMMENTARY ON APARTHEID EDITORIALS

Capetown DIE BURGER in Afrikaans 22 Nov 85 p 22

[Editorial: "Apartheid"]

[Text] There is much to be learned from DIE BURGER's series of articles on apartheid.

First of all it would appear from the articles that apartheid was not conceived and born in sin, as some people purport. The objective was not to injustice and to suppress. To the contrary, any advocates of apartheid saw in it the most efficient methods of raising up the non-white portion of the population from the circumstances of earlier times and creating for them a wide range of opportunities.

The truth is that these altruistic considerations failed to dominate. Self preservation was the most important incentive, but not at the cost of others. To be sure it was deemed that the interests of white population groups could best be served by promoting those of the colored groups. This was enlightened self interest.

Apartheid simply has not failed. It has provided advantages to many of those who were affected most by it. However, exactly to the very extent that it succeeded, it also created new problems.

There is another lesson to be learned in this, a lesson which is actually true with respect to all human endeavors, namely, humans, with human limitations, can seldomly resolve problems without creating new ones in their place. This is something which ought to generate greater discretion in each and everyone who offers solutions to any kind of problems. This is above all true in problems of human relations in a pluralistic society like the one in South Africa.

To be sure, where this has to do with human relations, the word "solution" is not suitable at all. There could never be any talk of a perfect solution. At most there can be an honest and sustained effort to continue to bring about something better, taking into consideration the changing demands of the time and the unchangeable demands of moral laws and of one's own conscience.

Insofar as the great vision, which has been the underlying principle of apartheid for many people, has not materialized this is attributable, in no insignificant measure, to the destructive actions of diametrically opposed groups. On the one hand this has found expression in the absolutizing of apartheid and on the other in the attacks of political opponents who up until now are still incapable of suggesting sound alternatives. Therein lies the origin of the unexplained coalition between right and left which today is still trying to be disruptive without any hope of it being capable of constructiveness.

But this is not all. There has also been the mighty effect of implacable forces, especially economic forces, which have refused to bend and have rendered some of the most important objectives unattainable. Closely connected with that is the inextricable intertwining of the various population groups, which became greater as the country developed, with each of them having its own claim on South Africa.

As it was 40 years ago, the great task remains that of reconciling with each other the sometimes clashing interests of the various groups concerning these claims. Altered circumstances and the lessons of the past decades have necessitated a new approach and this is now in the process of developing.

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SOUTH AFRICA

TERREBLANCHE ADVOCATES INTERIM ADMISSION OF BLACKS TO GOVERNMENT

Cape Town DIE BURGER in Afrikaans 23 Nov 85 p 11

[Article: "Coopt Blacks, Says Economist: Must Join Government at Highest Level"]

[Text] The negotiations over the political accommodation of Blacks are going to last too long, so he proposes that Blacks in the meantime be coopted into the government in executive positions at the highest level.

So said Professor S.J. Terreblanche, professor of economics at the University of Stellenbosch, two evenings ago in the Hotel Mount Nelson in Cape Town, where he took part in a seminar organized by Mercabank on "the logic of the federal option." Proposals of the Bureau for Economic Politics and Analysis (BEPA) of the University of Pretoria were also discussed.

Professor Terreblanche said he thinks the process of political negotiation is at present too open-minded. If black people are to be negotiated with, something must be put on the table, otherwise it comes down to nothing more than inconclusive philosophizing about political possibilities.

It looks to him as though the government is caught in a typical "catch-22 situation." Because of internal unrest and external pressure it is desirable on the one hand that it demonstrate perceptible political accommodation of Blacks through negotiation.

To judge by the course of such negotiations it looks to him as though it will take at least five years to accomplish this. "We don't have five years."

Professor Terreblanche said that while Blacks are coopted in the meantime, the process of negotiation will naturally continue so as to bring into being legislative structures for the central government in due course.

Earlier in his address Professor Terreblanche said South Africa is a developing country. It is only partially industrialized. The country definitely lacks the tax base to support a fully developed mass democracy and welfare state for all its people. Nonetheless the political and social accommodation of Blacks can no longer be delayed.

Developed popular democracies and welfare state systems are phenomena of the First World. One-party dictatorships or very limited forms of democracy and weakly developed welfare state systems are phenomena of the Third World.

The apartheid system was nothing less than an attempt to construct a democracy and welfare state for the Whites. The tax base of the modern sector in South Africa was big enough to support a reasonably comfortable welfare state for Whites. The Coloreds and Asians enjoyed its benefits to a lesser extent, and now there was pressure for it also to be extended to the Blacks. Unfortunately South Africa lacks the tax base to do this.

The exclusively white welfare state can thus not be perpetuated. Apartheid must be dismantled, but it is going to be very difficult to create the necessary other structures--which, it is to be hoped, will be constructive ones--to replace it. And that is what the debate is ultimately about.

The dismantling of apartheid is a complex process. It will bring with it quite a substantial reduction in the Whites' political clout. It is going to mean that the welfare state privileges of the Whites will have to be fairly drastically reined in. It will mean that the Whites' standard of living will have to be reduced to more realistic levels.

"It will not be easy. It will be painful. It cannot happen overnight. We must try to see to it that it happens in an orderly fashion. We shall have to try to create structures and processes to enable to undergo this hurt we will have to inflict on ourselves--if we want to survive--little by little. But we should prepare ourselves for the possibility that the process may not necessarily take place so neatly and may occur more rapidly."

Later in his speech Professor Terreblanche said that a federal system will have to meet three important requirements if it is to be economically and politically viable.

In the first place it must give the Blacks enough say for them to be able to feel from their standpoint that they can take part in the fiscal decision-making process in a satisfactory manner. The second proviso is that a political structure be created by which the privileged position of the Whites can gradually be reduced. Third, the system must have sufficient guarantees built in to it that the capacity of the South African economy will not be overtaxed.

Before anyone proposes a federal solution, he must say what sort of federation he wants. He has trouble with people who are so dogmatic about South Africa adopting a federal solution, because there are a multitude of federal proposals.

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SOUTH AFRICA

NRP ADVOCATES BLACKS IN GOVERNMENT IMMEDIATELY

Cape Town DIE BURGER in Afrikaans 25 Nov 85 p 11

[Article "By Our Political Editorship": "Buthelezi 'Must Join Cabinet'"]

[Text] Johannesburg--The government has only six months in the coming parliamentary session to convince black people in the country that they are regarded as full citizens of South Africa and to give them representation in parliament.

So said the leader of the New Republic Party [NRP], Mr Bill Sutton, this weekend.

He was addressing the Transvaal congress of the NRP in Pretoria. The congress was attended by just over 100 delegates.

Mr Sutton made a serious plea for the inclusion of black people in the parliament in the shape of a fourth chamber for those who do not live in the national states and direct representation in the cabinet by the two leaders of national states.

The inhabitants of national states must be linked with the government on the basis of "a Brussels-type convention." Two leaders, one of whom should be Paramount Chief Mangosuthu Buthelezi of kwaZulu, should immediately be appointed to the cabinet, Mr Sutton said.

Sixty Members

He plans to ask his parliamentary representative, Mr Vause Raw, to introduce a private member's bill next year making provision for people who are not members of parliament to become members of the cabinet.

As far as black people who do not live in national states are concerned, Mr Sutton proposes that a fourth chamber consisting of sixty members be created. In this way these leaders will also be able to be included in the cabinet.

The NRP will also put together a voters' roll for urban Blacks by giving these people the choice either of being associated with the Whites, Coloreds and Indians in the non-national state or retaining their connections with and rights in the national states.

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SOUTH AFRICA

LEADER OF NRP DOUBTS PARTY WILL SURVIVE

Cape Town DIE BURGER in Afrikaans 25 Nov 85 p 11

[Article "By Our Political Editorship": "NRP Will 'Push, Jog' Government"]

[Text] Johannesburg--The New Republic Party [NRP] is "a policy in search of a party," said the leader of that party, Mr Bill Sutton, on Saturday, summing up the dilemma of this almost dead party.

Mr Sutton said at the Transvaal congress of the NRP over the weekend that he does not know how long his party will continue to exist.

He let it be known that the only thing that still prevented members of this party from throwing in the towel is their struggle of many years against the National Party.

When the Provincial Councils disappear next year, there will moreover not be many of this party's seats left.

The Natal leader of the NRP, Mr Derrick Waterson, believes that party will disappear in its "present form," which means that he accepts that the NRP can no longer act as though it were "an alternative government of the future."

He sees the future of the NRP as a "pressure group" that will "push and jog" the government until it accepts the NRP's policy of federalism/confederalism.

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SOUTH AFRICA

TREURNICHT ANTICIPATES PROBLEMS ON COLORED AREAS POLICY

Cape Town DIE BURGER in Afrikaans 26 Nov 85 p 7

[Article "By Our Political Editorship": "Treurnicht Foresees Problems for His Policy"]

[Text] He admits that the colored residential areas in Boland towns and the fact that Soweto consists of different ethnic groups are problems in the political plan he proposes for South Africa, Dr A.P. Treurnicht, leader of the Conservative Party, said last night in Cape Town.

Speaking at the annual concluding function of the Rapportryers dispatch riders Corps of Milnerton, he said he was tired of hearing "that we just want to shunt people around."

Dr Treurnicht said that the majority of colored people live in the Cape Flats and in 23 country areas that belong to them. Their residential areas in Boland towns do create a problem, but 58 percent live in their own areas. If it is possible to create a state like Bophuthatswana, he sees no difficulty about combining an area like the Cape Peninsula with other colored areas under a central authority.

On Soweto he said that because of the different ethnic groups it is difficult to incorporate this city into any one national state. That does not, however, prevent the areas where the Zulus are the majority, for example, from being integrated with the government of kwaZulu.

The only other possibility is for them to find political representation in joint structures.

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SOUTH AFRICA

STUDY EXAMINES CHANGE IN LAND OWNERSHIP SYSTEM

Cape Town DIE BURGER in Afrikaans 27 Nov 85 p 12

[Text] A change in the system of land ownership in the "Bantustans" from the present communal holdings to full rights of ownership will probably not in and of itself have much influence on the "deterioration" of those states, a researcher has said in a new study in the Carnegie series.

Mr Peter Moll, who is presently working towards a doctorate at Oxford University, said that the introduction of full rights of ownership could even lead to instability and unrest unless the state is willing to first spend money on the development of agricultural potential and to abolish influx control.

One disadvantage to the establishment of rights of ownership will be that women, who are traditionally entitled to inherit land from their husbands, could lose that right and that a man will then have the right to designate his heir.

Mr Moll said that the migratory labor system aggravates the problem. Because men are estranged from their families for the largest part of their working lives, ties can weaken and the migrant worker can start a new family in the urban area. If they are granted full rights of ownership, this could result in the expropriation of families in the rural areas.

He said that this problem can be avoided by registering the land in the name of the husband and the wife, and by requiring the wife's written consent before the husband can dispose of the land.

Mr Moll said that the introduction of free leasing could also have a detrimental effect on the influence of the traditional tribal chief and result in unrest in the rural areas. The chiefs will probably be opposed to full rights of ownership. On the other hand, full rights of ownership could bring about alternative institutions for democratic representation in the rural areas.

Another advantage might be that as much as a fifth of the arable land of KwaZulu, Transkei and Ciskei, which is not presently being tilled, can in the long run be better used, SAPA [SOUTH AFRICAN PRESS ASSOCIATION] reports.

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CLAIM THAT 'STATE VIOLENCE' PROMOTES UNREST CRITICIZED

Cape Town DIE BURGER in Afrikaans 27 Nov 85 p 26

[Article by Dawie under the "From My Political Pen" rubric: "Riots the Result of 'State Violence': How True Is This Argument?"]

[Text] The popular apology from leftist radical circles for the violence taking place here and there in South Africa is that it is a reaction to the structured violence harbored in "the system." The blame is thus put elsewhere, not with the perpetrators of violence.

For example, a pamphlet being distributed in schools in the Cape Peninsula contains the assertion that a "violent system results in a violent society." Is this really the explanation for what is going on in South Africa?

Dangerous

One thing that is beyond any doubt is that this reasoning has dangerous implications. The concept of "structured violence" could provide an opening for revolutionaries who are not concerned with improving the South African system, but rather with creating a climate in which everything having to do with the established order must be viewed as unacceptable and everything that the "oppressed" do is depicted as being justified.

This is a preparatory process for the ultimate onslaught which will result in a system in which noble concepts such as human rights and individual freedom will have as little place as they do in the communist world. Was the state machinery not in fact greatly strengthened after the 1917 Russian Revolution?

Because the revolutionary is not concerned with improving the present system, but rather with an entirely new totalitarian framework, reform is shot down and depicted as being cosmetic. This in turn results in the psychological and physical attacks on Non-Whites who constitute part of the "system" and as such are viewed as symbols of the changes that have already taken place and in this way point the way for the future.

"Proof" of the violence supposedly inherent in the system is found by leftist radicals in police actions, which are depicted as brutal not just sometimes,

but in fact all the time. The security forces are in the wrong, precisely because they protect the established order.

Even if the security forces are forced to act in self-defense or in defense of the community, the emphasis is merely put on those actions and little is said about what provoked them.

Moral

If you oppose violence, you are in favor of the system, with all its lackings and restrictions of the individual. In this way, perpetrators of violence are depicted as angels of redemption and the preservers of peace as the true devils.

The untruth is promulgated that the reformers actually only want to preserve the system. There will be no essential change; those with grievances will continue to run into a stone wall. This is why everything must be assailed and demolished.

The strongest moral argument against this is that the government has firmly committed itself to a new and more just society. Indeed, it wants to be rid of those infringements on freedom and human dignity that are being depicted as a form of violence.

Channels

The fact that the present system has lackings is not denied by anyone. President P. W. Botha has made it the greatest task of the government to obliterate these lackings and to allow meaningful political rights for all South African citizens. The debate is no longer centered on grievances, but rather on how they should be dealt with. Whether it will take place in an orderly way or in chaos.

Because the government still desires stability and order in the transitional phase towards a new dispensation, it has issued an invitation to negotiations to everyone, including the ANC, provided they renounce violence. Channels have been created for airing grievances, and there can no longer be any talk of dissatisfied people running into a brick wall.

Irony

The attempts to tear this invitation to shreds provide clear detail of the revolutionaries and their true motives. Why are they not interested in reform? It is because they desire a radically new system in which power will pass into the hands of an elite clique.

Implicit in this is also the explanation of the great irony in the Cape Peninsula utterance: wherever the fruits of reform are most visible is where the assault is the fiercest. This must not succeed, because all power must be wrestled away.

The choices seem clear: An orderly reformed system bringing greater justice for all, or a revolutionary state in which a dictatorship will offer little hope for freedom and rights.

SOUTH AFRICA

EFFECTIVENESS OF COMMONWEALTH STUDY GROUP QUESTIONED

Cape Town DIE BURGER in Afrikaans 27 Nov 85 p 26

[Editorial: "The 'Wise' Seven"]

[Text] The Commonwealth countries have finally succeeded in assembling a committee of "wise men" (one is actually a woman) with the mission to come put South Africa's affairs in order. Among other things, the committee is to dismantle apartheid and to set talks between the South African government and other groups in the country in motion.

The government will in due course announce whether it is even going to allow the committee here. Should these people indeed be allowed to come here, however, they will face great disappointment. This will be provided by the hard realities of the South African framework.

Their first talk could easily be with PFP [Progressive Federal Party] leader Dr Van Zyl Slabbert. If he lays all his cards on the table, he will be able to tell them the sad tale of a long series of failures in attempts to set up a national convention. And of the bitter hate between groups that have only one characteristic in common: their opposition to the government.

Further talks with people such as Captain Mangosuthu Buthelezi and groups such as the UDF [United Democratic Front] and AZAPO [Azanian People's Organization] will deal another blow to their idealism--that is, if there ever was any true idealism within the committee.

However, what is of interest to many South Africans is the question of to what extent the committee of seven will be able to work together. After all, they represent a widely divergent group of countries with a spectrum of conflicting opinions on what constitutes democratic government.

Moreover, the struggle to assemble the committee lasted several weeks, amidst at times bitter reproaches between the different Commonwealth countries. For South Africa, however, they have instant solutions.

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SOUTH AFRICA

NEL CRITICIZES NAUDE FOR NOT CONDEMNING VIOLENCE

Cape Town DIE BURGER in Afrikaans 28 Nov 85 p 4

[Article "By Our Correspondent": "Church Must State Case Strongly--Deputy Minister Nel: Is Not Instrument of Violence"]

[Text] Bloemfontein--"We are experiencing an attack on the church. I want to call on the church to take a position and clearly to tell the world it is not prepared to make itself the instrument or convenience of an unscrupulous revolutionary minority that seeks to achieve a political takeover of power by murder and violence to the detriment of our whole population," said Mr Louis Nel, deputy minister of information.

He was the featured speaker last night in Bloemfontein at the celebration of the tenth anniversary of PUISANO, the regional newspaper of the Bureau of Information. In his speech he sharply attacked Dr Beyers Naude, general secretary of the South African Council of Churches, for his contention that violence is justified in South Africa and refusal to condemn it.

He said Dr Naude's position is a call on the church to reconsider its traditional rejection of violence on Christian principles. "It can only have one implication and that is that the church of Christ must now condone violence."

Seen against the backdrop of what is now happening in South Africa, what Dr Naude's call comes down to is that the church should approve the senseless murder of innocent people, bloodshed, mutilation of human lives and corpses, the blind destruction of private property and all the harm, suffering and pain that resulted.

Mr Nel said that what the call comes down to is that the church must defend the cowardly planting of a landmine by terrorists who crept across the border in the night, which resulted in the maiming of a black man. "Is Dr Naude prepared to explain to Mr Edward Mulabe that his maiming took place in terms of Christian principles?"

Transparent

It is clear to me that in essence Dr Naude's position is not just a call to further violence but in fact an attempt to involve the church in further violence, he said.

The aim is transparent. It is to make the church an instrument in the revolutionary struggle and to lend legitimacy to the revolutionary war being conducted by the unscrupulous minority. "On the assumption that Dr Beyers Naude has acted in good faith, he has unwittingly become a tool in the revolutionary struggle."

As regards the Bureau of Information that comes into being in September, Mr Nel said he hopes that all the positions will be filled early next year and that the bureau will be well established. The bureau hopes to be able to play a positive role in the improvement of relations between the different population groups by disseminating information. It will therefore be necessary to establish contact with all population groups in South Africa over a broad area."

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SOUTH AFRICA

HNP, CP POLITICIANS STAGE CITY COUNCIL WALK OUT

Cape Town DIE BURGER in Afrikaans 28 Nov 85 p 5

[Article "From Our Correspondent": "Rightists Walk Out Because of Coloreds"]

[Text] Johannesburg--Eight Herstigste Nasionale Party (HNP) and Conservative Party (CP) city council members walked out of Pretoria's city council meeting yesterday afternoon because of the presence of seven colored people in the public gallery.

City council member Piet Rudolph (HNP) stood up and on a point of order said, "the council is a white institution for white taxpayers." He asked that the colored people leave the gallery, because they would cause a "continuing disturbance" of order.

Dr Pieter Kruger, the mayor, interrupted him and pointed out that according to the rules the meeting is open to members of the public and the press.

"In Camera"

"I cannot rule that visitors must leave the gallery, just as long as they are orderly," he said. The mayor himself read the relevant article of the ordinance to the council.

Council member Joseph Chiole (HNP) thereupon moved that the council meet "in camera." Dr Kruger pointed out to him that he presumably meant "in committee" and put the proposal to the vote.

The motion was defeated in a head count by 25 votes to 8.

A final attempt on the part of council member Rudolph to have the members of the public ejected from the council chamber on grounds of their dress failed.

Six council members, three from the HNP and three from the CP, thereupon left the council chamber. Although some requested permission to do so, the others simply got up and walked out.

Refreshments

The leader of the HNP on the city council, Dr Piet Barnard, who turned up a few minutes late for the meeting, left the hall immediately after noticing the colored people in the gallery, along with another member of the HNP.

Eventually only council member Rudolph, who had started the whole quarrel, remained behind. Although he is a member of the HNP, he does not sit on the party's city council caucus.

In a joint declaration later issued by the HNP and CP members, they said that they had already obtained legal advice and that they would proceed to investigate the matter thoroughly.

During the meeting council member Rudolph asked the mayor why the people in the gallery were not invited to enjoy refreshments with the council members, officials and representatives of the press.

Dr Kruger thereupon said that the refreshments were prepared only for those named "and with that the matter is closed."

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SOUTH AFRICA

MINISTER OF COMMERCE CALLS FOR NEW CONSTITUTION

Cape Town DIE BURGER in Afrikaans 28 Nov 85 p 17

[Report "From Our Political Editorship": "Everyone Must Share Power--De Villiers"]

[Text] Johannesburg--Power sharing between all groups in South Africa and political rights on the basis of universal suffrage should be embodied in a new constitution that protects minority rights and guarantees the rights of individuals, Dr Dawie de Villiers, minister of commerce and industry, said this week at the monthly lunch of the French Chamber of Commerce of Southern Africa.

"The constitutional structures have to be negotiated. The process of negotiation must be the main aim of all leaders who want to contribute to a new and better South Africa.

"There are many positive and constructive developments in South Africa that the world does not want to notice," he said.

There was plenty to be optimistic about in both the political and constitutional areas. "The government has not merely committed itself to reform, but has given a clear and unambiguous indication of its plans. The state president has clearly spelt out the parameters of constitutional reform."

Protect

Dr De Villiers said that the declaration of the state president, Mr P.W. Botha, about one citizenship for all South Africans means that there will not be first- and second-class citizens. It will be a fair and just citizenship for everyone.

"Power sharing between the groups and political rights on the basis of universal suffrage must be embodied in a new constitution--a constitution that will protect minority rights and guarantee the freedom and rights of the individual," Dr De Villiers said.

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SOUTH AFRICA

ESTERHUYSE ARGUES FAILURE OF APARTHEID

Cape Town DIE BURGER in Afrikaans 28 Nov 85 p 33

[Article "By Our Political Editorship": "Recognition That Apartheid Has Failed Must Come"]

[Text] Three Stellenbosch professors, Professors Sampie Terreblanche, Julius Jeppe and Willie Esterhuyse, and the political journalist Mr Otto Krause of Johannesburg held a seminar and group discussion for businessmen in Cape Town this week on the subject "Black Urbanization--Economic and Political Opportunities."

South Africa's problems call for a dynamic pro-reform coalition of different interest groups, black representation in the cabinet and public recognition that apartheid has failed and is being dismantled, Professor Willie Esterhuyse, professor of philosophy at the University of Stellenbosch, told a seminar for businessmen in Pinelands.

Professor Esterhuyse--who is spending his study leave this year in the service of the Urban Foundation--said that South Africa's political future would be decided in the Guguletu's and Soweto's of the country and not in Uptington or Pietersburg. Audacious interim measures such as the abolition of influx control regulations are urgently necessary, inasmuch as these sabotage the ideal of sociopolitical stability in South Africa and undermine the authority of black parents over their children.

Professor Esterhuyse said that serious thought should be given to the idea of black representation in the cabinet as an interim measure until a negotiated constitutional structure has been created. Self-governing states ought to have the opportunity of choosing a person or persons from among their ranks to represent them in the cabinet. Black people with permanent status in the republic ought also to have the opportunity to do so. In addition regional task forces under black leadership must be established with an eye to better communication, to identifying bottlenecks and to dealing with regional socio-economic questions.

Professor Esterhuyse said that the realities of black urbanization have made a "sad failure" of the traditional policy of apartheid. "It is not possible to disguise the policy of apartheid or to give the policy a more human face. It must be rejected and structurally dismantled. This fact ought to have been publicly acknowledged long ago."

Unmanageable

"The government cannot save South Africa by itself. A well-planned joint effort including the private sector and black leadership is necessary. In a nutshell South Africa needs a dynamic pro-reform coalition consisting of different interest groups."

Professor Julius Jeppe--commenting on a motion picture on the increasing problems of urbanization in the Third World--said that Africa had the most rapidly accelerating urbanization in the world. It varies between 8 and 15 percent a year, while 8 percent is already viewed as economically, administratively, physically and socially unmanageable.

Professor Jeppe said that the dominant picture of urban and local authorities in developing countries is one of few opportunities and fewer capabilities, because of the fact that their strong central government control has weakened the financial position of the local authorities.

Professor Sampie Terreblanche said that the government and the business community will in future have to take increasing notice of the poverty level among black people. It is not realistic to think that a higher rate of growth or wholesale redistribution measures will improve the standard of life of millions of underemployed Blacks.

Not even a high rate of growth will provide them with enough job opportunities or prosperity and it will be difficult to maintain a growth rate of even 2 percent over the next 5 to 10 years.

Professor Terreblanche said it is essential that unconventional "commercial contacts" be established between the modern and the informal economic sectors. The initiative in creating such "contacts" has usually come from people in the informal sector under great pressure to earn a living, but with the present poor economic prospects for the modern sector it is to be hoped that entrepreneurs in this sector will establish commercial contacts with the informal sector.

Careful

The hindrances to growth in the modern sector--such as the lack of foreign exchange--will evidently not easily be eliminated. It is possible, however, that the obstacles to "growth" in the informal sector (which is not easily measurable) can more easily be disposed of. There will therefore have to be "informal" sector growth in the next decade or two to compensate for the probable lack of growth in the modern sector.

Professor Terreblanche said that the Small Business Development Corporation (SBDC) had done outstanding work in South Africa in building small bridges by which the informal sector could move toward the modern sector. "It is a pity the SBDC is not five or ten times bigger and was not founded 30 years ago. The SBDC--and other quarters--must be careful not to formalize the entire informal sector. That will kill the informal sector. The informal sector of the economy must stay alive and will grow in accordance with its own style, rhythm, 'laws,' 'illegality,' poverty values and its own conceptions of prosperity and wealth. The modern sector must try to respect the informal sector's conceptions of prosperity and wealth."

SOUTH AFRICA

INCREASED TECHNICAL TRAINING FOR BLACK CHILDREN

Cape Town DIE BURGER in Afrikaans 28 Nov 85 p 12

[Report "From Our Political Editorship": "Career-Oriented Education: Project in Black Schools"]

[Text] Pretoria--Pilot projects for a new system of career education for black school children will be launched at 75 schools at the beginning of next year, Dr Gerrit Viljoen, minister of development assistance and education, announced this week.

The new approach is aimed at developing among black children the greater technical skill necessary for certain occupations, Dr Viljoen said at Alberton.

He was addressing the annual meeting of the Alberton Manufacturing Association.

The system is being tested in projects on various educational levels at the 75 schools to make sure that the new approach is workable and that it fulfills the requirements of those concerned, employers among them. Thereafter it will be instituted on a broader basis, Dr Viljoen said.

Training

The most important aims of the new approach to occupational education are:

- scientific, mathematical and technical training of the students;
- the creation of skills needed in modern society;
- occupational counseling and the opportunity to take advantage of different career opportunities;
- the identification of students with an aptitude for or interest in certain careers and the provision of supplementary tuition for such careers.

Target

Dr Viljoen said that when the new system was planned it was anticipated that 21 percent of black students in the senior secondary phase of their education would eventually pursue technical careers.

At present only 1 percent of all secondary school students and 5.8 percent of primary school students receive technical instruction. Under the present system the target of 21 percent is thus unattainable.

Therefore under the new system the percentage of students who receive instruction in the form of "technical orientation" is scaled down from 100 on the primary level to the requisite 21 percent on the senior secondary level.

When the experimental phase has been tested at each educational level--after consideration and if it is found practicable--it will be put into operation the following year.

"In that way the ideal of a holistic and balanced instructional model for technical and occupational education will be attained," Dr Viljoen said.

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SOUTH AFRICA

ATTACKS CALL FOR STRONG MILITARY REACTION

Cape Town DIE BURGER in Afrikaans 29 Nov 85 p 28

[Editorial: "Another Attack"]

[Text] The rocket attack early yesterday morning on the Sasol installations at Secunda in the eastern Transvaal, following so shortly after five landmine explosions in the far northern Transvaal, may indicate the beginning of a coordinated, heightened internal terror offensive, presumably by the ANC.

If that is the case and it is not simply an accidental coincidence of circumstances, this means that still greater demands will be made of the security forces. And not only of them. A heavy responsibility rests on all peace-loving South Africans to heighten their watchfulness and preparedness.

It was noteworthy that while the internal riots raged most violently, there was a falling off in the activities of trained terrorist groups. It is just possible that the recent decrease in the intensity of the disturbances was a notable motivation for the "official" terrorist organizations to become more active themselves. They dare not allow peace and order to be reestablished in South Africa.

It may be called fortunate that yesterday's rockets failed to hit their targets and do damage. For the terrorists the Sasol installations have always been prime targets, not only because of their strategic value to the country, but also because they are universally regarded as proud monuments to South African know-how and skill.

It has indeed already been established that one of the three black men shot dead by the security forces in a fierce battle yesterday after the rocket attack was also involved in an attack on the same installations in 1980.

Although the three were shot dead near the Swaziland border, it is not yet certain whether they entered South Africa from that country. Swaziland has thusfar taken vigorous action in an attempt to control the activities of groups like the ANC within its borders.

If it should appear that the attackers did in fact come from Swaziland (or perhaps from Mozambique), it may, together with the indications that this week's mine layers came from Zimbabwe, mean that more and more fronts are being activated by the terrorist organizations.

South Africa cannot tolerate this. That is a message the security forces will have to drive home unambiguously.

PFP MEMBER CRITICIZES PARTY'S ROLE IN LOCAL AFFAIRS

Cape Town DIE BURGER in Afrikaans 30 Nov 85 p 6

[Text] "The PFP [Progressive Federal Party] can do nothing for the Coloreds of Ravensmead. We did more for the people when we were still the Taxpayers' Association," Mrs Lesta Arendse, member of the PFP's Ravensmead branch, said.

She approached DIE BURGER about her disillusionment with the PFP's abilities to help Colored people and about the way in which the internal affairs of the branch are carried out.

Mrs Arendse contends that the chairman of the branch, Mr George Blouws, was not properly elected, but temporarily appointed because only nine people were present at the founding meeting in July. A committee was to be elected at a later meeting, but this has never come about, and Mr Blouws is still acting as chairman, she said.

When questioned, Mr Paul Vorwerk, regional director of the PFP, would neither confirm nor deny that the committee has been elected, but he said that he is satisfied that the branch's affairs are being carried out in accordance with the constitution. There is a branch committee of which Mr Blouw is the chairman.

"If Mrs Arendse has a problem, she is welcome to come discuss it with us."

Mrs Arendse said that the Taxpayers' Association and the Action Committee of Ravensmead saw in the establishment of the PFP branch the opportunity to combine forces and thus do more for the community.

"We were recognized by the Administrator, and if we asked for things, we managed to get them done."

"The PFP only wants to talk about higher politics, but not about bread and butter issues affecting people."

A member of the committee who did not want to give his name said that Mrs Arendse's allegations are slanderous stories.

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SOUTH AFRICA

FOREIGN EXPECTATIONS OF PACE OF REFORM ANALYZED

Cape Town DIE BURGER in Afrikaans 30 Nov 85 p 10

[Article by Dawie under the "From My Political Pen" rubric: "Foreigners Recognize the Nonsense of 'the Great Dramatic Declaration'"]

[Text] It has lately become fashionable for armchair critics to point out, with much ado, to the South African government what it ought to do. Make a dramatic declaration about what the government's plans are, it is said, and the country's complicated problems will magically disappear.

This declaration should also be radical, imaginative, courageous and comprehensive. And the brave word should be accompanied by a forceful deed.

Dictatorship

It is ironic that it is a foreigner who must point out the untenability of this battle cry which is so easily raised by some South Africans.

Mr Alan Jones--a former speech writer for Mr Malcolm Fraser and coach of the Wallabies [Australian national rugby team]--who is currently in South Africa, said a few evenings ago on television that democracy, including the form it assumes in South Africa, simply does not work that way.

In a dictatorship, it is true, one can expect a leader to make big announcements about constitutional changes and then in fact implement them. But a democracy does not work like this. In a democracy, the processes are slower and the wheel can turn only after taking into account numerous considerations.

Earthshaking

Thus the practical feasibility of this sort of advice. Then there is the concealed but clearly visible insinuation: The government is saying nothing, doing nothing, and risking nothing. How reasonable is such an accusation?

In the important speech given by the state president, Mr P. W. Botha, before the congress of the Cape Province National Party in October, he said things that could by all means be described as earthshaking, dramatic and radical.

Sweet Talk

He left no doubt about the acceptance of power-sharing with Blacks and held out the prospect of an agenda including an undivided South Africa, a South African citizenship and universal suffrage for structures about which South Africans themselves must decide.

Did this elicit appreciative applause, here or abroad, and did it in any sense ease the pressure on South Africa? Or did the country's critics act as if they had not heard it?

Another interesting example of a foreign institution that reveals a better understanding of the situation in South Africa than do some of our own know-it-alls arose this week.

Here in South Africa, the leftists and some of their newspapers, who lately have been trying so hard to sweet talk the revolutionaries, applauded the announcement by the Commonwealth study group. South Africa was lectured to about these wonderful people and advised to send them back with the message that full constitutional civil rights will be given to Blacks. Just like that.

This is the simplistic advice given concerning a study group that probably knows as little about the government's intentions about Black citizenship, consultation at the highest level and special structures as the man in the moon.

Idiocy

Much greater insight into what this study group should actually be made to understand was displayed by the London newspaper DAILY TELEGRAPH. It said that the study group should be informed about the true facts in South Africa, or else the entire pursuit, which is at any rate "a bit foolish," will remain a fantasy.

It would be idiocy, according to the newspaper, for the study group to present a report in the belief that all Blacks in South Africa stand together against the Whites and are ready to take over power imminently. It would be much closer to the truth if they were to recognize that they are dealing with a country of extremes, full of ethnic divisions.

Indeed, a great deal would be accomplished if that message could sink in. But this does not suit the radicals and the newspapers following their lead. To the latter, all references to ethnicity and group interests are odious. They speak bluntly of equal voting rights in a unified state.

Black Wars

The big question is whether South Africa will be allowed to move towards a system in which the rights of minorities will be protected. Will this not simply be described as "just another form of apartheid"?

There are obviously people abroad who recognize that ignoring group differences will lead not only to a White uprising, but--and this is an even greater possibility--to a resumption of the bloody Black tribal wars.

SOUTH AFRICA

ANC REPRESENTATIVE GIVES INTERVIEW IN ANGOLA

MB100752 Luanda ANGOP in English 1640 GMT 9 Jan 86

[Text] Luanda, 9 Jan (ANGOP)--The ANC representative in Angola, Uriah Mukeba, said in Luanda, yesterday that the progress and successes reached by the African National Congress (ANC) of South Africa were the main causes of a deep political and economic crisis inside the apartheid regime and would inevitably lead to its defeat.

In an exclusive interview to the Angolan News Agency (ANGOP), on the occasion of the anniversary of ANC, commemorated on January 8th, Uriah Mukeba said the racist rulers of Pretoria have increased terror against the black population, in its vain attempt to crush the struggle of patriots for freedom.

About the main activities of his organisation over a long period of struggle, [words indistinct] successes are to be included in political and military fields. The massive participation of population in actions of boycott, students and workers strikes, are evident proof of a veritable spirit of true revolutionary consciousness among South African population, he added.

In the battlefield, he commended the role played by the United Democratic Front (UDF) and the South African trade union, in backing the anti-apartheid mass demonstrations, which he said had constituted a veritable success.

In military field, he said, umkhonto we sizwe (spear of the nation), the ANC armed wing is operating in some regions inside South Africa. As examples, he quoted the attacks perpetrated in the installations of the principal barrack of racist army, which have resulted in the death of 90 enemy elements, and an operation carried out against the main nuclear station of South Africa, five years ago.

On the anachronic system of apartheid, the ANC representative said that the racist regime of Pretoria, would never be able to sustain its aggressive policy, without the financial and material support of Reagan administration.

The policy of constructive engagement, he went on to say is a proof that the USA and certain Western countries are interested to maintain the hateful system of apartheid, as well as to continue destabilising southern African states.

In his viewpoint, the recent decision by the U.S. Congress to repeal the Clark Amendment, which originally forbid overt support to puppet organisations could be included in the framework of constructive engagement, which he said despite of being constructive, is destructive.

In this respect, he considered as positive the recent positions taken by the French Government, in relation to the policy of apartheid. In this connection, he called on all the Western countries to follow the French example, with the aim of isolating the Pretoria regime.

He praised the moral and material support granted by Angola, Mozambique and Zambia to the ANC, in its struggle carried out against the apartheid regime.

He concluded by calling upon all international communities to support the heroic people of South Africa in their struggle to put an end to racial inequality and racial segregation.

/8309

CSO: 3400/854

SOUTH AFRICA

33,000 BLACK CANDIDATES PASS MATRIC

Johannesburg THE CITIZEN in English 9 Jan 86 p 9

[Text] THE Director-General of Education and Training, Dr Braam Fourie, said yesterday that despite the country's Black schools' unrest more than 33 000 Black matriculants had succeeded in passing their final examinations last year.

He announced the publication of the results of 67 073 candidates yesterday — despite problems and complications caused by the disruption of the examinations in certain areas.

He said that of the total number who wrote the examination, 33 073, or 49,3 percent passed, while 8 394, or 12,5 percent, obtained matriculation exemption.

"It is heartening that the results compare very favourably with those of 1984 — passes 46,02 percent and exemptions 10,06 percent — despite serious disruption and intimidation which inevitably had a negative effect on the performance of various candidates."

In addition, the results of 9 890 candidates were not yet complete for various reasons.

It was expected that a further 10 000 candidates would sit for special examinations arranged for May this year because of disruption of their timetable last year.

SOUTH AFRICA

CORRESPONDENT LOOKS AT SOME ISSUES UNDERLYING MINERS STRIKE

Johannesburg THE STAR in English 9 Jan 86 p 15

[Text]

The dismissal of 20 000 striking miners in Bophuthatswana this week sent shock waves through the international platinum market. Sheryl Raine takes a look at some of the issues underlying the strike.

The strike by 30 000 black miners at the Gencor-controlled Impala Platinum mines in Bophuthatswana has shattered expectations in the mining sector that the platinum industry would be left largely unscathed by labour unrest which has recently troubled gold and coal mines in South Africa.

Predictions by some financial advisers that Impala would remain protected by Bophuthatswana's labour laws and safe from disruptions in production for at least two years while the Government-approved Bophuthatswana National Union of Mine Employees (Bonume) became established, have proved to be unfounded.

Break the surface of the strike debacle and a host of issues tumble out.

First, and what many observers believe is at the root of the trouble, is the discrepancy between labour legislation in South Africa and in the homelands.

Research has shown that, without exception, workers in the homelands are subject to more repressive labour legislation than in South Africa and that the Wiehahn reforms have largely failed to trickle over the borders into the national and independent states.

Labour unrest, however, is trickling over the borders, as this week's dispute seems to indicate.

The Bophuthatswana Industrial Conciliation Act of 1984 governs collective bargaining, places a ban on "foreign" unions from South Africa and lays down a strike procedure which legal experts believe effectively blocks legal strikes.

Despite the fact that it is a "foreign" union which is not registered in Bophuthatswana, the NUM claims considerable support at Impala.

The NUM contends that the Impala dispute centred not only on wages and working conditions but on "a denial of workers' rights to join a union of their choice".

"Any question of registering in Bophuthatswana is unacceptable to the NUM because of our rejection of the homeland system," an NUM spokesman said.

In keeping with the "one industry, one union" policy of the Congress of SA Trade Unions, to which the NUM is affiliated, the union wants to represent all miners in South Africa — including the homelands.

The NUM has accused companies which operate in the homelands of using their laws as a shield against workers' legitimate grievances.

The thorny question of NUM members employed in the homelands is down on the union's agenda for serious discussion in 1986.

Wider implications of the strike for mines in South Africa, particularly Gencor mines, could not be ruled out, according to the NUM.

COINCIDED WITH RECRUITMENT DRIVE

The strike at Impala started on January 1, coinciding with the week in which a recruitment drive was to have started by Bonume. The union which some call a "sweetheart union" has as yet, very few, if any members at Impala.

This raises a dilemma for Impala and reflects the dilemma of all companies which operate in Bophuthatswana or other homelands.

Mr Gary Maude, acting chief executive of Impala Platinum explained his company's position.

"The company would like to work with a union representative of its workers and which operates within the law. Bonume and the NUM are the two union possibilities at present," he said.

"There is a legal compulsion on an employer in Bophuthatswana to deal with any union which is registered. It is not a question of recognition.

Bonume is recorded with the Bophuthatswana Government as an unregistered union with an approved constitution and the right to organise.

It will become a registered body once the registrar of unions is satisfied that it is a representative union.

As regards the prospects of labour peace in future at Impala, Mr Maude was optimistic.

"After dismissing so many workers we are going to have to get workers back to the mine. Our policy is to give jobs to local people. The problem in the past has been finding enough experienced workers locally.

"In future a large proportion of Bophuthatswana citizens will be employed and that will change the whole complexion of the situation on the mine."

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CSO: 3400/859

SOUTH AFRICA

BRIEFS

RESIDENTS MOVE FROM TOWNSHIP--MAFIKENG--Residents of Ekangala near Bronk-horspruit are reported to be moving to other townships in the East Rand because they fear possible incorporation into Kwandebele. Many said they had originally left East Rand townships for Ekangala believing that they would still fall under the East Rand Administration Board and still be able to enjoy its benefits, but feared they would lose these benefits with the possible incorporation. Reports from the area said some residents had already moved to Kwathema, Daveyton, Vosloorus and Katlehong, creating accommodation problems. A Government statement from Pretoria yesterday afternoon said the future of Ekangala was one of the aspects to be discussed prior to the attainment of independence by Kwandebele. [Text] [Johannesburg THE CITIZEN in English 7 Jan 86 p 5] /12828

CSO: 3400/859

SOUTH AFRICA

COLORED PUPILS LOSE BID FOR SUPPLEMENTARY EXAMS

Johannesburg THE CITIZEN in English 4 Jan 86 p 3

[Text]

CAPE TOWN. — A full Bench of the Supreme Court in Cape Town yesterday rejected an urgent application to set aside the decision taken last year by the Minister of Education and Culture in the House of Representatives to deny Coloured pupils and college students the opportunity to write supplementary examinations this year.

The three judges — Mr Justice P W E Baker, Mr Justice M R de Kock and Mr Justice W Vivier — rejected a contention that the Minister, Mr Carter Ebrahim, the Director General (Administration) in the Coloured House and the Join Matriculation Board had acted from ulterior motives in taking the decision.

In the absence of such a motive, the judges ruled that they had no power to interfere with administrators' decisions taken by a Government department.

The application was brought by the Cape Professional Teachers Union and 12 others represented by Mr Dawie de Villiers SC, and was contested on behalf of the State by Mr Henry Viljoen, SC.

In papers before the court, Mr De Villiers listed a number of factors which he contended indicated an ulterior motive on the part of the three respondents, and said the practical and social implications of the outcome of the case could have an important effect on the continuation or rebatement of the turmoil and unrest which had centred on Coloured education in Cape Town and other areas.

Mr Viljoen denied his clients had acted from an ulterior motive, or that their decision was so unreasonable as to justify the interference of the court.

"The task of my clients was to decide how to act in a manner which would be the most beneficial to

the pupils and students in the given circumstances. My clients had to decide this objectively, and cast aside popular opinion and what the man-in-the-street would think," Mr Viljoen told the court.

No matter what decision was taken, he said, it was inevitable that some children would suffer due to time lost.

"It can never be said that the department was so unreasonable that no-one would have reached a similar decision in the circumstances. The department has not penalised the innocent in order to punish the guilty," he said.

Mr De Villiers said in opening the decision by the department was taken again a background of turmoil and unrest during the second half of last year. This had resulted in disruption of classes with prescribed courses and syllabuses not being completed. Pupils and students were distracted and prevented from completing their normal studies, he said.

It was widely known that some pupils, teachers and students had promoted or participated in a boycott movement, but what his clients had in mind was not to escape disciplinary action against those guilty of misconduct or to obtain favoured treatment for them.

The dictates of justice in such cases would be determined in other proceedings.

Nor was the purpose of the application intended to invalid last year's year-end examinations, or of

qualifications or promotions which candidates had achieved.

"The objectives are to secure just treatment for affected pupils or students who, through no fault of their own, were prevented by circumstances from writing, completing or passing the examinations," Mr De Villiers said.

"This would remove the discrimination against such pupils or students, as well as a sense of grievance suffered by them, their families, friends and associates in their respective communities, together with the inevitable danger of these grievances being exploited by those who wish to see a continuation of conflict, unrest and upheaval," he said.

Mr De Villiers contended that official decisions of the kind in question were reviewable if they were grossly unreasonable to the degree that the inference could be drawn that the official concerned failed to apply

his mind properly to the matter, or that he was activated by some ulterior motive.

He contended that a number of factors indicated overwhelmingly that there was "something seriously amiss" with the state of mind of the three respondents in the sense of an ulterior motive.

The motive, Mr De Villiers said, was to use the year-end examinations as a device for separating the guilty from the innocent in regard to boycott promotion.

"This involves a thought process to the effect that those who did not write totally and successfully, did not want to write, and the unwillingness to write in turn meant wanting to promote boycotts and such students and pupils were to be put in their place.

SOUTH AFRICA

DURBAN FIRM STARTS FLIGHTS TO MAPUTO

Johannesburg THE STAR in English 9 Jan 86 p 5

[Article by Zenaide Vendeiro]

[Text]

A Durban-based air charter company, Citi Air, has begun a once-weekly service to Maputo on behalf of South African Airways, which has long held the licence for the route but has not made use of it.

Citi Air and Lowveld-based Metavia Airlines applied to the National Transport Commission in October last year for the service between the two ports. SAA filed an objection on the grounds that it held the rights but it then entered into an agreement with Citi Air to operate the service on its behalf.

Citi Air flies to and from Maputo on Mondays but it plans to expand the service to twice a week.

"There is certainly support for another day," said Mrs Doris White, Citi Air's marketing director. "At the moment we use a 10-seater plane and carry between 35 and 40 passengers each month."

Fares were recently increased and now stand at R208 one-way and R322 return.

Metavia Airlines, the first private company to be granted a scheduled air transport service licence to operate across a foreign border, reports that support for its Nelspruit-Maputo service has grown steadily.

In August last year it was carrying up to 400 passengers and 10 tons of freight a month. It now transports about 780 passengers and 18 tons of freight a month.

"We have received permission from the Mozambican aviation authorities to carry on to Inhaca Island if there is a demand," said Metavia's managing director, Mr Peter Farquhar.

The return fare to Maputo is R180 and that to Inhaca Island is R200.

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CSO: 3400/858

SOUTH AFRICA

SATS DISCUSS WAGE INCREASE CLAIM WITH TRANSPORT MINISTER

Johannesburg THE CITIZEN in English 10 Jan 86 p 5

[Article by Janine Stein]

[Text]

THE leaders of 10 South African Transport Services trade unions met the Minister of Transport Affairs, Mr Hendrik Schoeman, yesterday to discuss a wage increase claim. If granted, it would be the first salary increases for transport workers in two years.

Despite no agreement being reached on the claim lodged by the unions for a 25 percent wage hike, the Minister agreed to a further meeting before he presents his budget to Parliament on February 19.

The chairman of the Artisans Staff Association, Mr Jimmy Zurich, who is also the chairman of the Federal Council of SATS trade unions, told The Citizen yesterday that workers were, in fact, entitled to a 30 percent wage increase.

"However, in view of the economic position, we have lodged a claim for 25 percent," Mr Zurich said.

The last increase received by workers was 12 percent in January 1984.

"The Minister said we had a very good case for a substantial increase. He also said he appreciated the circumstances surrounding the request in view of the fact that railway personnel have been subject to inflation without increased wages."

However, Mr Zurich stressed that the Minister had given no indication that the wage demand would be met.

In terms of the Railways and Harbours Service Act, the work done by the transport services was considered essential and workers were therefore prohibited from striking.

"We can, if he refuses us or we are not satisfied with the wage increase offer, and provided we can prove that the decision will cause widespread unrest among workers, go to arbitration before a judge and two assessors," Mr Zurich said.

Mr Zurich said the ASA had had two such disputes in the past — the first in 1973 when a 15 percent pay hike was won for the entire civil service, and the second in 1976 which had been lost.

However, he also said he did not expect this latest request to reach arbitration level.

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CSO: 3400/858

SOUTH AFRICA

MINES FEEL IMPACT OF WEAK RAND

Johannesburg THE CITIZEN in English 3 Jan 86 p 19

[Text] THE impact of the weak rand is already being felt in the form of increased fuel prices and its ripple effect on the local general cost structure as well as in increased costs of other imported items used by the mines, the chairman of the Evander and Unisel mines say in their annual reviews.

In his review of the Evander mines, Mr C R Netscher points out that the future of Leslie mine is largely dependent on the exposure of economically viable ore reserves in the Western Area where the majority of the development is being carried out.

To a large degree the results have been disappointing as regards the exposure of payable ore, but development is continuing on a more selective basis.

Mr Netscher points out, too it is essential to maintain strict control of costs and optimise the milling rate as no improvement in the recovery rate can be expected.

At a gold price of R22 500 a kg, the total ore reserves have been estimated at 2,3 million tons, of which 1,0 million tons will be available for

mining during the current year at an average grade of 5,2 grams a ton.

Winkelhaak's new twin-shaft system is planned to be in production in 1992 in order to replace declining reserves and to increase production rate to 225 000 tons a month.

Present production levels will be maintained during the coming year, Mr Netscher says.

The future of Bracken continues to depend on the availability of ore reserves exposed by development which is limited to a very restricted area of the mine. The potential for opening up small blocks of ore, made payable as a result of the increased rand price of gold, is also limited.

Mr Netscher says that at best the mine can be expected to maintain its present milling rate, but at a reduced grade, for the foreseeable future.

At a gold price of R22 500, the total ore reserves have been estimated at 1,9 million tons of which 0,8 million tons will be mined during the current year at an average grade of 4,7 grams.

In his review of Unisel, Mr E Pavitt says that it is planned to maintain tonnage and grade at the present level for the coming year.

However the ratio of

the tonnage mined from each of the three economic reef horizons is continually being reviewed to maximise the yield ensuring balanced depletion of the reserves.

The policy will inevitably result in a gradual reduction in yield in the future as the contribution from the lower grade leader reef is increased.

Prospecting of the Tarka and Jurgens Hof areas will continue in order to evaluate these areas for future mining, Mr Pavitt says.

At a gold price of R22 500 a kg, the total ore reserves have been estimated at 4,8-million tons of which 4,3-million tons will be available for mining during the current year at an average of 7,6 grams a ton.

In his review of Kinross, Mr J C Fritz says that as a result of the production expansion programme, tonnage milled has been increased from 135 000 to 186 000 tons a month.

To further improve the yield from this increased production, it is planned to install at least one additional mill in the milling circuit.

Mr Fritz says the current production rate at present yields will be maintained for the foreseeable future.

SOUTH AFRICA

STANDARD BANK REPORTS ON OUTLOOK OF RAND

MB060453 Johannesburg SAPA in English 1818 GMT 6 Jan 86

[Text] Johannesburg, Jan 6, SAPA--The outlook for the rand this year is "clouded by uncertainties surrounding the outcome of the rescheduling negotiations to be held early" in the year and "external political pressures which may re-emerge," the Standard Bank says.

In their current international comment, the bank says that in the immediate future, continued partial reversal of the adverse leads and lags should provide some support for the rand.

Added to which the Reserve Bank seems intent on actively supporting the local currency.

"We believe that the rand's recent stability could result in a solid base being established around current levels and, provided the dollar maintains its downward trend, the rand may well experience some marginal appreciation in the near term. This view is predicated on the Reserve Bank remaining an active participant in the local market."

Standard says that however, the downside risk on the rand has not been totally eliminated and importers who are not in a position to constantly monitor the rand's movements would be advised to take out forward cover on dollar payables due in the short term.

Importers who are in constant contact with currency movements would be advised to stay out of the forward market at current rates but to consider covering forward should the rand appreciate during week.

Standard says: "We anticipate a narrow dollars 0.3800-0.4000 weekly trading range for the rand, while gold bullion should trade between dollars 325-331."

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CSO: 3400/863

SOUTH AFRICA

BOYCOTT IMPACTS ON RAND MONETARY AREA

Johannesburg THE STAR in English 6 Jan 86 p 16

[Article by Dr. Roger Gidlow]

[Text] The future of the Rand Monetary Area, has been placed in the spotlight by the recent decision of Swaziland to enter into negotiations with other members of the area with a view to unlinking its currency from the South African currency.

For many years Botswana, Lesotho and Swaziland used another national currency as their domestic circulating medium of exchange and legal tender despite the absence of any formal agreement to underwrite such an arrangement.

These countries were, in effect, part of a wider de facto monetary area which used the rand.

In 1974, these informal arrangements were replaced by the creation of an officially recognised Rand Monetary Area.

Botswana did not join this area, but all three nations have, nevertheless, maintained, to varying degrees, close economic integration with the monetary system of South Africa.

Within the Rand Monetary Area the exchange rates between the three currencies, namely, the maloti of Lesotho, the emalangenis of Swaziland and the rand of South Africa are maintained at unity with no margin for fluctuations.

Close integration

While floating exchange rates have been adopted for the major currencies after the demise of the Bretton Woods arrangements in

the early 1970s, the fixed exchange rate features of the Rand Monetary Area agreement have remained intact.

In view of the close economic integration between the member states, and the limited potential for conflict arising from the dominance of South Africa, it has been difficult to visualise the Rand Monetary Area agreement disintegrating.

Instead, it is generally assumed that the smaller states might at some stage seek a revision of the agreement in the form of compensation for any perceived costs which are imposed on them.

The possible withdrawal of Swaziland has created a new situation. The exit of a member from a monetary union is not exceptional. Mali turned its back on the West African Monetary Union in 1961 and rejoined in 1984.

Nevertheless, some analysts emphasise that the political will to integrate in a monetary union is an essential ingredient for the success of such an organisation.

Of course, it's not inconceivable that increasing world hostility towards South Africa may have prompted the Swazis to try and distance themselves from this country.

At present, the monetary authority of Swaziland (as a consequence of its commitment to maintain 100 percent rand backing for the emalangenis and to keep its value at par with the rand) does

not have the usual money-creating attributes of a central bank. This could change if it withdraws from the agreement.

Policy mutation

The country, however, would probably not possess extensive latitude for conducting independent monetary policies in view of its close dependence on South Africa for foreign trade and capital.

Roughly a third of Swaziland's exports are destined for South Africa, while about 80 percent of its imports originate from the Republic.

Many commentators will assume that any abandonment of the rand as a monetary standard by Swaziland will most probably be followed by a mutations in its exchange rate policies.

A floating exchange rate system between the rand and the emalangeni would appear to be ruled out at this stage by the lack of the necessary institutional banking facilities in Swaziland.

The most obvious alternative would be for the Swazis to peg their currency against the rand on a variable peg basis.

In theory, at least, this could provide an additional element of flexibility for dealing with balance of payments disequilibria.

A study covering 1974 to 1981 revealed that the global balance of payments of South Africa and Swaziland typically did not move in phase.

In other words, the usual situation has been such that a basic balance of payments surplus in South Africa was mirrored by a defi-

cit on the basic balance of Swaziland and vice versa.

On this basis it can be argued that since the exchange rate policy of South Africa is geared to direct its own balance of payments position, this policy is likely to be inconsistent with Swaziland's requirements as Swaziland has no independent policy.

Balance of payments disequilibria in that country are, arguably, made more difficult to overcome.

This sort of analysis, however, ignores the possible impact of short-term capital flows on the Swaziland balance of payments if it adopted a variable pegging arrangement for its currency against the rand.

The Swaziland authorities might find that their management of the currency is complicated by leads and lags influences.

The heavy dependence of the Swaziland on foreign trade with South Africa could encourage large speculative movements of funds out of the emalangeni if the currency is pegged at above par against the rand.

Conversely, large amounts of funds could be attracted into the currency if it was pegged below parity with the rand.

If Swaziland does withdraw from the Monetary Area it is bound to have a major impact on its economy.

In contrast, the consequences for South Africa would be slight. This is because of the huge disparities in the sizes of the respective economies — with the gross domestic product of Swaziland less than one percent of the comparable figure for South Africa.

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CSO: 3400/831

SOUTH AFRICA

RECESSION CAUSES METAL WORKERS TO LOSE JOBS

Johannesburg THE STAR in English 7 Jan 86 p 7

[Article by Mike Siluma]

[Text]

About 23 000 metalworkers lost their jobs in 1985, underlining the continuing downturn in an industry battered by depressed domestic demand, inflation and reduced spending.

This is according to the Steel and Engineering Industries Federation's (Seifsa) review of economic activity in the metal industry last year.

It said the number of jobs in the industry had dropped from 454 000 at the end of 1981 to 352 000 last year.

Seifsa said the political and social situations in South Africa had aggravated the strong recessionary conditions in the industry, leading to a decline last year in production volumes of 6,4 percent compared with 1984 and 17 percent in contrast with 1981.

The industry's automatic components sector was expected to record a drop of 30 percent compared with 1984, the machinery sector 22 percent, transport equip-

ment 20 percent and electrical machinery 13 percent.

It was expected, however, that the reduced production would be offset by increased export efforts in the iron and steel industries.

The Seifsa review predicted depressed conditions would continue to plague the construction engineering sector through most of 1986, with heavy engineering experiencing a recovery only in the second half of the year.

No recovery in shipbuilding was expected this year.

Turning to labour relations, the review said the recession and inflation had hindered stable collective bargaining and made annual wage negotiations extremely difficult.

It said taking into account the instability associated with political and social change, the slowing down in public and private sector expenditure and the high inflation rate, Seifsa did not anticipate a turnaround in the metal industry's overall performance until late in the year.

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CS0: 3400/831

SOUTH AFRICA

ANALYSTS PREDICT HIGHER PROFITS FOR GOLD MINES

Johannesburg THE CITIZEN in English 8 Jan 86 p 21

[Text] SOUTH African gold mines are expected to show increased profits and could show higher taxes and capital expenditure as well, when they report results for the quarter ended December 1985 in the next weeks, gold analysts predict.

Profits were seen increasing on average by around 10 to 15 percent, based on another quarter which experienced an average record rand gold price of about R26 500 a kilo, gold analysts interviewed by Reuters said. In the September quarter the rand price averaged R22 348 based on the London fix versus R19 976 previously, both figures setting new records.

Rodney Yaldwyn of Simpson, Frater, Stein and Strong sees mill throughput rising by about three percent compared with four percent in September because of a number of projects coming to fruition in the December quarter.

He sees working costs rising by around 2,5 percent in the December quarterly quarter versus

4,9 percent in the previous one, mainly as a result of inflation. Mr Yaldwyn said the fact the December quarter was cut short by the public holidays which fell in that month, put additional pressure on working costs. Another pointed out that the trend was to higher cost as mining deepened.

A gold analyst, who declined to be named, said capital expenditure in the quarter ending December could be up at around R520-million versus R501-million. Other estimates put it lower at around R510-million.

Capex will be higher as a result of capital projects which have come on stream, he said.

Mr Yaldwyn cited (General Mining Union Corp) Winkelhaak Mines which announced it was to spend some R20-million in the financial year ending September 1986 in sinking a shaft in the east of its lease area.

The tax rate will be up in line with increased profits and capex, one gold analyst said. He said he was not able to give figures as much would depend on how much the

mining houses had increased their capex.

A mining house like (Gold Fields of South Africa) may have kept its capex fairly constant as is its normal policy, in spite of the average record gold price. However, it may have decided to push up its capex if it believe the higher rand price will be sustained for some time.

In 1985 capex was R373 million in the first quarter, 450-million in the following quarter and 501 in the September quarter. The tax bill was R817-million in the first quarter, which dropped to 690-million in the second and rose to 839-million in September. The gold analyst said that while he was reluctant to put figures to it, he believed both capex and taxes would rise dramatically.

One said there might be a cut in grade on the marginal mines to take advantage of the benefits of the rand gold price and maximise the life of the smaller mines. But a grade cut on the small mines would not dramatically affect average grade, he said. — Reuter.

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CSO: 3400/831

SOUTH AFRICA

CHIEF ECONOMIST PREDICTS FARMING RECOVERY

Johannesburg THE CITIZEN in English 8 Jan 86 p 11

[Article by Keith Abendroth]

[Text] 70 000 farmers — in debt now to the staggering tune of R10 000-million — have their feet on the first rung of the ladder to recovery following the worst drought in living memory.

The chief economist of the SA Agricultural Union, Dr Koos du Toit, told The Citizen yesterday: "There are high hopes in agriculture that the devastating years-long drought — of up to nine years in some areas — is now a nightmare of the past.

"There are prayers, too, for improved export conditions and at least another one or two good seasons to be able to re-consolidate their position and recover fully from the drought.

"They are licking their wounds now and there are signs of healing, thanks to the generally good rains of the past season."

Dr Du Toit, at the request of The Citizen, yesterday completed an in-depth survey of agricultural conditions and pro-

spects for the country as a whole.

He said farming prospects were now generally far better than they had been in at least the last three to four production seasons.

Summer rain crop areas particularly had benefited as well as cattle and sheep farming areas.

Conditions in Natal, the Eastern Cape and Karoo were reported by farmers as "excellent".

Twelve of the 14 most important dams in the Natal area were full or above 80 per cent of capacity while in the Eastern Cape 14 of the 18 dams were in a similar state.

Good rains in the Eastern Transvaal lowveld, high veld, central and northern province had received good rains on which to rebuild prospects.

Most places of the hardest hit drought areas in the Western Transvaal had received rain, although some — notably Schweizer Reinecke, Ottosdal and the surrounding districts — were still in desperate need of more follow-up rains.

"At this stage 85 per cent of the planned acreage has been planted with summer crops and other areas are still being planted.

"With the exception of isolated areas in the Far Western Free State, conditions in the Free State, too, are good and promising," said Dr Du Toit.

However, when evaluating crop prospects it was necessary to take into account in the present production season that plantings — particularly of maize — had taken place later in the season than was customary.

"In many cases plantings have been done later than the optimum planting period, and this could be a factor resulting in lower yields, specially in the Eastern and Western Transvaal," he said.

Maize planted early in the season had now grown to the pollination stage and would need more rain this month. Maize planted later would also require good follow-up rains.

At this stage, said Dr Du Toit, it was too early to speculate about the possible size of the maize

or any other summer crop.

Another encouraging facet was the recovery of natural or veld grazing with this reported generally either to be "excellent" or "improving".

While prospects for the new year were good, it was clear that many farmers would not be able to clear their debts this year. It was important that they have good follow-up seasons.

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CSO: 3400/831

SOUTH AFRICA

COMMENTARY VIEWS CHEAP COST OF LIVING IN RSA

MB090849 Johannesburg International Service in English 0630 GMT 9 Jan 86

[Station Commentary: "South Africa as the Cheapest Country in The World in Which To Live"]

[Text] It has no doubt come as a surprise to many that South Africa has been rated the cheapest country in the world in which to live when measured in hard currency terms. This has been established in a survey conducted by the London-based information agency, Employment Conditions Abroad, ECA.

The [words indistinct] from which the survey was conducted in 70 countries was the cost of a shopping basket of essential items. South Africa came out on top despite the fact that the price of essential items have increased by 89 percent in the past 5 years, compared with 63 percent in Western Europe, 39 percent in Britain, and only 7 percent in Japan.

On the opposite end of the scale another African country, Tanzania, was found to be the world's most expensive country. The basket of essential items is 400 percent more expensive in Tanzania than in South Africa. Two other African states, Nigeria and Ghana, are also very near the top of the list of most expensive countries.

In the ECA survey a year ago South Africa was rated as the fifth cheapest country, and it has improved its rankings to top the list despite the fact that its currency had been hard hit by the relentless anti-south Africa campaign which has been raging for the past year or more. This can be seen only as proof of the inherent strength of the South African economy. The (battering) South Africa has been (receiving) on the economic, political, and diplomatic fronts would have totally devastated lesser economies. Adding to its problems has been severe drought. Here again like many other African countries, South Africa has been badly affected by the drought but not crippled by it, and again this is due to the inherent strength of its agriculture, an area which has been grossly neglected by African governments.

As the cheapest country in which to live, South Africa, therefore, is able to provide all its people with the highest standard of living in Africa and among the highest in the world.

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CSO: 3400/863

SOUTH AFRICA

NORWAY BACKS WORLDWIDE OIL EMBARGO

Oslo AFTENPOSTEN in Norwegian 17 Dec 85 p 4

[Article by Egil Wettre Johnsen: "No Sale of Norwegian Oil to South Africa"]

[Text] Norway will introduce its own boycott of South Africa, and, with the other Nordic countries plus other countries with which Norway has close relations, will undertake an initiative to obtain a voluntary and binding international boycott. This emerged yesterday at the government conference when a 7-point program against the South African apartheid regime was agreed upon which goes a long way towards complying with supplementary proposals put forward this past June when Parliament debated Norway's relations with South Africa.

The government advocates a legal ban on the sale of Norwegian crude oil to South Africa and advocates that the export of goods to South Africa should automatically be subject to licensing in the same way as the import of goods and that no licenses be given for the importation into Norway of South African fruits and vegetables. Furthermore a special Norwegian system will be established to record the number of visits to South African ports and the tonnage of these ships which fly the Norwegian flag.

The government is issuing a request to Norwegian shipowners not to draw up separate contracts for the shipping of oil to South Africa. Norway will contact other maritime nations in order to implement a voluntary transport boycott of South Africa. Contact will also be made with individual United Nations Security Council member countries in order to set up an international recording of ship's visits.

In addition Norway will work actively to have the Security Council approve a binding trade and transport boycott of South Africa.

Commerce Minister Asbjorn Haugstvedt told AFTENPOSTEN that Norway is in the forefront of the struggle against the regime in South Africa, and that the 7-point program was prepared before Denmark approved its own far-reaching sanctions against South Africa last week.

Haugstvedt stated that the government is also weighing economic support for Norwegian firms which must reorganize as a consequence of the government's trade relationship with South Africa.

12789/6662

CSO: 3498/3

SOUTH AFRICA

GAS PROJECT SHOWS STRENGTH OF ECONOMY

Cape Town DIE BURGER in Afrikaans 25 Nov 85 p 11

[Article "By Our Special Correspondent": "Gas 'Turning Point in RSA Economy'"]

[Text] Mossel Bay--In the light of the current disinvestment campaign, the establishment of the gas project is extremely significant. It shows the outside world that, notwithstanding the severe pressure now being applied to South Africa, the economy still has the inherent momentum both to generate the necessary funds internally and to bring about foreign participation.

So said Mr Danie Steyn, minister of mineral and energy affairs, in a chock-full town hall in Mossel Bay on Saturday night. He said the project could indeed be seen as a turning point in the present economic climate. It also confirms the underlying confidence in the South African economy and will have a significant effect on economic growth. It represents an economic infusion for virtually every sector of the economy and will stimulate manufacturing activities on a broad front.

Concluded

The project is scheduled to be launched at the beginning of next year when the project management team is put together and the conceptual design and planning phase commences.

By the middle of the year the Soekor drilling program will be concluded as far as the Mossel Bay project is concerned. The construction phase begins in 1987 and will last until 1990. Between the middle and end of 1991 the production of synthetic gasoline will begin. The installation ought to be in full production in 1992.

The minister of environmental affairs and tourism has appointed a committee of experts to formulate guidelines on the basis of which consultants must carry out environmental studies in the area where the gas processing installation is likely to be established.

Discussions with the South African Transport Services indicate that there will be no insurmountable logistical problem as far as sea, rail and air transport is concerned. It is possible, however, that work to upgrade a wharf in the harbor may be necessary.

Mr Steyn said that the present known gas reserves of 1.22 trillion standard cubic feet point to a project lifetime of 20 years, but a project life of 25 years is regarded as necessary. A further drilling program is therefore underway aimed at the confirmation of already discovered gas reserves of which the extent still has to be established. At this stage it is estimated at 0.75 trillion standard cubic feet. Good results are being obtained in continuing drilling and a project life of 30 years is not excluded.

The local content of the Mossel Bay gas project is projected at at least 40 percent. It will be kept as high as possible, taking into account capital costs, maintenance costs and working costs.

Mr Steyn said the project might also be to the advantage of the TBVC [expansion unknown] countries.

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CSO: 3401/56

SOUTH AFRICA

INDUSTRIES REACT TO U.S. PULLOUT; BMW CHIEF INTERVIEWED

Munich INDUSTRIEMAGAZIN in German 15 Oct 85 pp 36-44

[Report and interviews with Dr Walter Hasselkus, chief, BMW branch in South Africa, and with K.D.S. Durr, South African deputy minister of Finance, Trade and Industries]

[Text] The withdrawal of American banks from business with South Africa has seriously hit the government and firms on the Cape. Political reforms and a Swiss banker are to prevent economic chaos.

September in South Africa. While a funeral cortege of many hundreds of people chants shrill threats against the white Boer Government in the black townships around the industrial center near Port Elizabeth, the silence of the grave prevails in the factories of Volkswagen, Ford, General Motors and Goodyear.

Also deserted is the BMW factory in the vicinity of Pretoria. The plant of Mercedes Benz of South Africa in East London is idle, because some of the labor force does not come to work any longer.

At the present time, foreign investors earn nothing but grief from their subsidiaries in South Africa. Race clashes and recession, economic sanctions and credit embargoes by foreign banks, radical losses in the value of the country's currency, the Rand, and a high rate of inflation are coalescing into a critical mass liable to explode any day. Dr Walter Hasselkus, head of the BMW subsidiary near Pretoria, describes the total economic and political instability on the Cape by saying "any forecast regarding the future development of this country may be as much as 100 percent wrong by tomorrow" (see interview, p 38).

Pullout plans. Following many months of part-time work, car manager Hasselkus was compelled to shut down his plant last September for 5 weeks (initially), because demand for his vehicles had dropped by about 25 percent.

His American competitors were hit even harder. Ford and General Motors are virtually unable to sell their cars. No wonder that they are reputed ready to pull out. Recently, Ford sold 40 percent of its affiliate to a subsidiary of the all-powerful Anglo-American Corporation of gold and diamond magnate Harry Oppenheimer, and hardly anyone in the industry doubts that this is merely the first step toward a full pullout.

General Motors has similar plans. Alfa Romeo has already folded up terts, and Renault is rumored to be the next one to withdraw.

Component manufacturers and equipment suppliers of the South African motor industry havenecessarily been pulled into the maelstrom of the industry's crisis. The Stuttgart paint spraying equipment manufacturers Duerr-Anlagen GmbH [company with limited liability] have closed down--so far the only German firm to do so.

Will there be a mass exodus from the republic on the Cape? Will foreign investors heed the appeals of apartheid foes for disinvestment on a broad front?

American corporations seem all too willing to respond to the race problems by scaling down their commitments. Chase Manhattan Bank and Security Pacific Bank were the first U.S. banks to cap the lines of credit for South Africa, according to the principle "if there is going to be a panic, let us be the first" (as commented by the London weekly THE ECONOMIST).

U.S. producers of consumer goods and foodstuffs such as Coca Cola, Kellogg or Colgate are ready to pull out as soon as the situation requires. The financial institutions and major consumer goods manufacturers from the United States are scared less by the political problems in South Africa than by the appeals for boycotts by human rights and anti-apartheid groups at home. According to a German banker, "credit institutes doing business with American universities must cut South Africa dead if they do not wish to lose important customers at home." Consumer goods manufacturers prefer to give up the South African market than suffer the boycott of domestic consumers.

The roughly 300 German corporations in South Africa are unwilling to let themselves be infected by the pullout movement of the Americans. BMW manager Hasselkus affirms that "our strategy is fully and unreservedly oriented to holding out." Joachim Stracke, manager of the German-South African Chamber of Trade and Industry, also reports from his member firms that "nobody here is going to leave for political reasons, whatever government we are going to get." If one or the other firm were going to leave, this would not be for fear of revolution or in protest against apartheid but exclusively for economic reasons." Stracke believes that "the same applies to the Americans. Their moral arguments are no more than pretense."

The traditionally long-term oriented German corporations try to adapt to the more difficult conditions. At the moment that is not too hard for most of the businesses concerned, because their sectors are as yet little affected by the recession.

The local branch of the PHB Weserhuetten AG contributes some 5 percent of group turnover by its engineering transactions in South Africa and continues to earn profits in the energy and mining sector. The pharmaceutical and chemical industries also do good business still.

Collapse of sales. Hard hit, on the other hand, is the car industry which sustained a 40 percent loss of sales. The radical drop in sales is all the more painful because 16 firms are assembling cars for the relatively narrow market. Mercedes-Benz of South Africa intends this year to construct 14,000 passenger cars, 2,000 units less than last year. BMW sales declined by about 25 percent in the first half 1985. Volkswagen, surprisingly, sold its Golf and Jetta models better in January-July than in the same period of 1984: VW increased Golf sales from 6,400 units to 8,000 units, Jetta sales from 2,900 units to 3,900 units. On the other hand, sales of the Passat dropped by 54 percent, of the Audi 100 by as much as 60 percent.

In the long run, this kind of collapse cannot be absorbed simply by cutting working hours and closing down plants for a limited period. The German car manufacturers do not expect demand to recover even in the medium term and are therefore trying to concentrate on their strong points in the respective segment of the market and on displacing their competitors.

Cost pressure. BMW manager Hasselkus intends to at least partially make up for the above average losses of the more expensive models by a new and cheaper beginner's model below the 318i. Daimler-Benz, the market leader in the upper price bracket, puts its hopes in the new medium class model and is currently investing some 100 million rands in the construction of a new factory in East London. Volkswagen is emphasizing the construction and marketing of the Golf which was successfully introduced in South Africa last year.

The car firms are more worried by cost pressure and badly depressed profits than by product policy. According to South African local content laws, 66 percent of a car's weight need to be purchased and produced in the country. As mainly high quality parts such as engines and electronics are bought from the parent company in Germany, car manufacturers import half the value of their vehicles. The exchange rate of the rand dropped by about a third in the past 2 months alone, and the prices of purchases by the car manufacturers have risen accordingly.

Labor union problems. Added to all this are the high costs of money in the Cape republic as well as a 16 percent inflation rate. At the same time, the radically higher costs can be passed on by way of prices to a limited extent only. BMW's Hasselkus is quite aware of the fact that "people have become more careful. If we want to sell, we must calculate within very narrow margins." Very narrow indeed: BMW moved into the red this year.

German managers also increasingly note that race unrest no longer stops at the gates of their plants. Though they have long abolished the barriers between black and white on the job, pay equal wages for equal work and have introduced costly programs to train many of their black workers for jobs as foremen and even managers, the subsidiaries more and more often come under pressure from the more militant labor unionists.

In September last, the VW plant stood idle because management and shop stewards were unable to agree on internal factory transfers. Following strike actions, the management had dismissed 130 employees, whereupon the labor union struck the paintshop and thereby brought all production to a stop.

Dismissals. Robert Bosch (Pty) Ltd, Johannesburg, was closed for days as the result of a strike for higher wages. The local management only gave in upon intervention by the head office in Stuttgart, raising wages for the second time this year.

On 10 September, Mercedes-Benz closed down for several weeks because production was repeatedly interrupted as the result of some workers not showing up or simply going home during working hours.

One Mercedes manager explained this as follows: "People are often afraid to leave their homes when demonstrations and unrest erupt in their residential area. They fear to be caught by the police as part of the crowd."

Siemens AG, next to Volkswagen the biggest German investor in South Africa, was also made to feel the increasing militancy of the labor unions in July last. The strongly rank and file oriented and democratic Metal and Allied Workers Union (MAWU), one of a total of four unions active at Siemens, refused to recognize the standard wage agreement at association level and claimed for direct negotiations with management.

When management refused, union members struck. The factory management responded by firing almost 1,300 workers--a practice quite usual in the Cape republic. Following lengthy arbitration proceedings, attended by a representative of Frankfurt IG [industrial labor union] Metal head office in an advisory capacity, Siemens reinstated the fired workers with the exception of 14 ringleaders.

The ever more frequent conflicts in the factories certainly are politically motivated also. The black and mixed race labor unions, admitted since 1979, have developed into collectives of opponents of the system who consider labor struggles an effective resource against the apartheid regime. Seen as particularly contentious are the mixed race organizations, led by left radical whites. Dr Albert Schunk, head of the IG Metal international department, believes that "they wish to abolish apartheid and also capitalism, because they think it the root cause of all evil."

Demand for resignation. Friction in the firms is further increased by rivalries among the various labor unions. "They poach each other's shop stewards, boycott arbitration proceedings or incite fist fights in the factory. These in turn result in protest strikes." So says the Frankfurt official.

Employers are perfectly aware that normalization of the situation, even their own survival, depends on fundamental reforms of the political system and the inclusion of blacks in the government. Since last summer, the South African associations of industrialists have openly opposed State President Pieter W. Botha and asked for his resignation.

The representatives of South African business are openly establishing contacts with the banned African National Council (ANC), and German managers too are seeking to meet with black leaders. BMW manager Hasselkus has met three times

already with Zulu leader Gatsha Butheleezi "to get acquainted and understand one another."

The employers urge fast and profound reforms, because the economic crisis cannot be managed any other way. Indeed, recovery is obstructed less by U.S. and EC sanctions than by the country's financial problems.

When foreign banks canceled the credit lines of South African customers, and the Cape Government suspended repayment of short-term foreign loans until the end of the year, foreign business partners lost confidence in the South African economy. Admittedly, payment obligations for imports are exempted from the moratorium. Chamber of Trade and Industry manager Stracke said, however, that "some firms refuse to make deliveries to South Africa, because they are afraid the country may slide into insolvency."

That could easily happen. Despite a \$2.5 billion balance of payment surplus this year, foreign exchange holdings would not suffice without restructuring to repay the \$12 billion short-term loans.

Bothas Finance Minister Barend du Plessis anticipates a way out of the financial dilemma by way of the blue ribbon adviser he hired in mid-September last. Fritz Leutwiler, retired head of the Swiss Central Bank, is supposed to draft proposals by the end of the year and, in particular, persuade European banks to come to the aid of the South Africans.

Promises. As does everything at the Cape, the negotiator's success will depend on the rapid satisfaction of the 22 million blacks by the abolition of the apartheid system.

Few observers now doubt that Botha is serious about his project--to construct a "new South Africa." The only question is that whether the almost 70-year old president still has the vigor and power to find a solution acceptable for the many different population groups.

Because white South Africans are resolved at all costs to prevent one possibility: A black majority government. They have a deep-seated fear that the republic might slip into a socialist-type dictatorship and economic ruin, like its black African neighbors.

Botha envisions a federalist system. All groups would participate in the government and minorities totally protected, so that the 4.5 million whites should not be dominated by the blacks.

Still, Botha will have to give a clear sigh to the blacks in order to calm down the present situation and to be able to advance his concept in constructive negotiations with the black leaders.

Business expects him to as promptly as possible implement his promise of citizenship for all South Africans, including the residents of the homelands, as well as that of freedom of movement. South Africa expert and board chairman of the PHB Weserhnuette Peter Jungen believes that "this might facilitate the end of the emergency."

It would also create the proper conditions for dissuading Western countries and banks from the imposition of sanctions and to speed up the economic rehabilitation of the country. Because, according to Jungen, "prosperity and jobs are the best guarantors for a peaceful transition to democratic conditions."

Interview with Dr Walter Hasselkus, Chief of the BMW Branch in South Africa, on His Strategy in That Country, Shaken by Crises

INDUSTRIEMAGAZIN: Dr Hasselkus, you have been managing the BMW branch factory in South Africa since mid-1984. How do you appraise the current political situation and future development?

Hasselkus: At the moment, the entire country is subjected to enormous tensions. Whenever you meet with other people, the talk turns around questions such as: Will Pieter W. Botha carry out the necessary reforms? If so, how soon? Will he be able yet to win over the moderate black leaders? The situation is definitely extraordinary, and no immediate change is likely.

INDUSTRIEMAGAZIN: Race unrest is exacerbated by a severe business collapse. This is added to by U.S. and EC boycotts. Is it even possible for business to operate profitably in such circumstances?

Hasselkus: The country is in the deepest recession since the 1930's. This was triggered by, among others, the catastrophic drought of the past 3 years, undisciplined government spending and the weakness of gold. In mid-1984, the government finally pulled on the emergency brake and throttled the consumer boom. Turnover taxes were raised 3 times within 15 months, the prime rate rose to 25 percent. New taxes were introduced, the price of gasoline increased by 40 percent from one day to the next. The radical loss of value sustained by the rand has hit the export dependent car industry very hard. BMW buys high-quality parts, such as electronics, engines and gearing, from Germany. The rand devaluation resulted in an enormous jump in the cost of imports. It is important to note in this connection that the loss of value in recent months and the growing economic depression are primarily due to the country's political troubles, while the standard economic data, such as the current account, show a positive trend.

INDUSTRIEMAGAZIN: As long as the race unrests persist or get even more acute, no economic recovery is to be expected. Are the entrepreneurs pressuring the government to finally abandon apartheid?

Hasselkus: Traditionally, business has not interfered much in politics. Conversely, the South African Government did not have much understanding for industry. However, in recent months the industry associations have begun often and forcibly to comment government policy. Some entrepreneurs indeed take an active stance, as demonstrated by the meeting of some business leaders with representatives of the banned African National Council. We, the BMW, have emphasized the need for early change in talks with members of the government. Business wants and needs political reforms.

INDUSTRIEMAGAZIN: How does the current unrest affect your business?

Hasselkus: Not at all as regards the atmosphere. Our plant is located north of Pretoria, on the border of the Bophuthatswana homeland. In that region calm has prevailed for many months.

INDUSTRIEMAGAZIN: What is the proportion of black employees in your firm?

Hasselkus: We have about 2,000 blacks in a total of 2,500 personnel. All our assembly line workers are black. Thanks to a costly training program, the ratio of skilled workers has been exactly reversed from the former 80 whites to 20 blacks. Above the rank of foreman, the proportion of blacks is still very small. We have some of them in managerial jobs, even in senior management. But they are few, and we are interested in raising the ratio.

INDUSTRIEMAGAZIN: In past years, new black and mixed race labor unions have been organized. Did this politicize the labor force?

Hasselkus: Eighteen months ago we had a strike at BMW. But that was in the first stage of recognition of the black National Automotive and Allied Workers Union (NAAWU). We had agreed with NAAWU to recognize it as representative once it organized 50 percent of our labor force. When the time came, our then works council got into a cross fire, because the union considered it a tool of management. In the meantime that obstacle has been overcome. It was a question of labor pains.

INDUSTRIEMAGAZIN: Did you organize collaboration between workers and management on lines similar to the FRG? Is there a new works council now?

Hasselkus: The labor unions do not normally recognize works councils. We are trying for direct communications with our labor union. Standard wage negotiations also proceed at factory level. In contrast to many other firms, our experiences have been satisfactory on the whole.

INDUSTRIEMAGAZIN: That sounds almost too good to be true.

Hasselkus: Of course you must not forget that a new movement, such as the NAAWU, is subject to marginal misunderstandings. No clear models of attitudes have emerged as yet. That is difficult for us and may lead to conflicts at any time. We are skating on thin ice, and while it already has a certain load capacity, it may yet break underneath us. Incidentally, we also need to learn to adapt to the new circumstances. Both parties are trying to discuss outstanding problems coolly and constructively. We may criticize one another, but certainly do not confront each other with any hostility.

INDUSTRIEMAGAZIN: Do you pay your black workers less than the white ones?

Hasselkus: We have not done so for many a year. That applies to BMW and other large corporations. We have abolished discrimination with respect to skin color, race and sex.

INDUSTRIEMAGAZIN: Dr Hasselkus, the further development of the situation in South Africa is unforeseeable. Is your firm prepared for a possible civil war? Do you keep pullout plans in your drawer?

Hasselkus: BMW is determined to stay in South Africa. Obvious we are discussing all potential scenarios. We cannot possibly judge at present whether any future situation may compel us to pull out.

INDUSTRIEMAGAZIN: Weak sales and the uncertain future surely require radical adjustments?

Hasselkus: Of course we need to respond to the collapse of the market. To begin with, we opted for cutting working hours and operated for 8 hours 4 days a week. Currently the plant is idle for 5 weeks. We had to do that, because--in contrast to almost all other car firms--we have not so far fired anybody, mainly for reasons of social concern. Whether we can hold out in the long term, I am unable to say at this time. We cannot exclude the possibility of having to reduce our labor force if the recession continues.

INDUSTRIEMAGAZIN: What are the dimensions of BMW's loss of sales?

Hasselkus: In the first 8 months of this year, the total market for cars shrank by 33 percent. Our sections, the upper price categories, incurred specially serious losses. Business here declined by 46 percent. BMW, though, has recorded a minus of only 26 percent.

INDUSTRIEMAGAZIN: Is it still worth while at all to construct your top model of the 7 series in South Africa?

Hasselkus: Very much so. The 7 series business continues to be profitable though we are obviously unable to sell the same volume as in the boom years. Incidentally, we are not willing to compromise at all with regard to model policy, model care and investments for models.

INDUSTRIEMAGAZIN: Are you still earning anything in South Africa?

Hasselkus: The situation is critical. With our parent company, we are working on a strategy for getting back to our usual profit zone as quickly as possible.

INDUSTRIEMAGAZIN: Do you fear for your personal safety?

Hasselkus: Reporting in Europe and Germany tends to be very onesided. Family members, friends and colleagues constantly address me in the sense "you should really pack your bags. It is getting much too dangerous down there. After all, the country is on fire." That is immensely exaggerated. The unrest and political problems in South Africa should certainly be taken very seriously, but nothing of the kind is evident in daily life. You may travel hundreds of kilometers from Cape Town to Durban without noticing any unrest. In short, there is no acute reason to panic.

Interview With K.D.S. Durr, deputy minister of Finance, Trade and Industries of the Republic of South Africa

INDUSTRIEMAGAZIN: What will be the effect on the South African economy of the sanctions imposed by the United States and the European Community?

Durr: Investment decisions are likely to be adversely affected. If the sanctions were to be really successful, the ones worst affected would be our neighbors who largely depend on South Africa. We supply them with commodities and electricity, their people work in our industry. Limited sanctions injure the periphery, not the core. A blow to South Africa first impacts the weak, the sick, the unemployed, the women and children. Nothing will hurt the strong.

INDUSTRIEMAGAZIN: Foreign investors are subject to political pressure to make the pull out of South Africa. Would a massive disinvestment lead to more rapid reforms?

Durr: What will disinvestment achieve? Unemployment! What will unemployment do? Frustration! Where does frustration lead to? Social unrest! These issues are no different here than in Birmingham. When unrest escalates, the government needs to protect law abiding citizens, their freedom and their property. In other words, we must invest in security. That money will then be unavailable for constitutional and social progress. After all, reforms carry an economic price, too.

INDUSTRIEMAGAZIN: How many firms have pulled out of South Africa or intend to leave?

Durr: Only two or three American firms. In my opinion they have merely used political reasons as an excuse. In fact they struck their tents due to the recession in our country. I do not think that many other corporations will follow them, because we are beginning slowly to emerge from the economic crisis. We are putting our house in order. We cut government spending and thereby successfully dealt with inflation; interest rates are declining almost daily. We have considerably improved our balance of payments and in the past 10 months repaid foreign debts in the amount of 5 billion rand. A year from now we will enjoy sound economic growth.

INDUSTRIEMAGAZIN: How are you going to attract new foreign investors in the present political situation?

Durr: If the economy is sound, that is not going to be hard. Daimler-Benz is currently investing 100 million rand to expand its plants here. When the few American firms pulled out, 10 others applied to close the gap--from Southeast Asia, Europe and even the United States. After all, we are not a country living off alms and development aid. Corporations have almost always been earning good profits here. As soon as the recession is over, new investors will arrive to use their opportunities on our market. Moreover, we have changed a good deal with regard to economic policy. We initiated a major

privatization program, abolished bureaucratic obstacles, canceled regulations--both administrative and racial. It is difficult to set up anything in Africa, but we have largely succeeded.

INDUSTRIEMAGAZIN: Your government decreed a payment moratorium for foreign loans. Are you insolvent at this time?

Durr: The moratorium does not mean that we are unable to pay our foreign debts. However, we needed to prevent other creditors from panicking and following the example of two U.S. banks which called in our loans. No bank and no country anywhere in the world can remain solvent when all creditors simultaneously demand repayment of their money. We were therefore compelled to adopt these measures to remain solvent. We are paying interest, and we will repay all loans.

INDUSTRIEMAGAZIN: Are you planning counter sanctions if the economic pressure from abroad should grow?

Durr: We are not in the business of sanctions. Embargoes are ineffective in any case. We will take positive measures. Among others, we will encourage our citizens to save more. Already 90 percent of the capital needed for investments are generated by our people's savings. I am sure that our people are ready to make available even more money for these purposes. We will help ourselves and seriously push ahead with the necessary reforms. We will build up a new South Africa as quickly as possible, with the participation of all population groups. That holds true also for participation in government. At a time of fundamental reforms we would really have expected the sympathy and aid of the free world.

INDUSTRIEMAGAZIN: What reforms are envisioned in the near future?

Durr: We are now at a stage of intensive consultations. We made mistakes which need to be corrected. After all, we do not just want to modify apartheid but to build up a new and stable system to bring about freedom and partnership. Consequently the talks are very complex and need to be treated with confidentiality. Still, I can assure you that representatives of various groups of the population are driving up to the presidential palace every day. The president travels all over the land and talks with the elected leaders of the country. That is a lengthy process. It would really be impossible just to nail an edict to the portals of St. George Cathedral and say: That is how it is going to be. We are neither pharaohs nor dictators. But the processes are developing--quite fast and resolutely. At the moment it looks as if tempers were cooling. Should that continue, the state of emergency will soon be lifted.

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CSO: 3420/14

SOUTH AFRICA

BRIEFS

XMAS SALES DOWN--Early indications from retailers show that in spite of intensive marketing and discounting, South African Christmas sales were lower in real terms than in 1984. Official estimates for countrywide spending during November and December last year show a total turnover of around R6,5-billion. This is a decline of about 7 percent on the previous year. The clothing sector seemed to be hard hit in spite of a slight increase in sales over Christmas. Current retail sales are down to 1980 levels. Two business equipment specialists, on the other hand, reported very good sales on items such as calculators and computers. Good sales were reported on big-ticket imported items in anticipation of shortages and rocketing prices this year. [Text] [Johannesburg THE CITIZEN in English 8 Jan 86 p 21] /13104

THREAT TO WINE FARMERS--The excessive escalation of production and other costs is threatening the continued existence and economic viability of the South African wine farmer, the chairman of KWV, Mr Pietman Hugo, said in Paarl yesterday. In a statement he said the wine farmer was under pressure on two fronts, production and packaging. Last year wine farmers had to contend with production cost increases of 26,5 percent for chemicals, 17 percent for mechanisation, 23 percent for electricity and 38 percent for irrigation. These increases overshadowed the small increase of 9,9 percent in the good-wine price granted to the wine-producer in January last year. The industry was under even more pressure as far as packaging costs were concerned. Packaging items such as corks rocketed by 95 percent, lead capsules by 94,5 to 100 percent and some plastic capsules by 29,2 percent. [Text] [Johannesburg THE CITIZEN in English 8 Jan 85 p 21] /13104

CSSR LOAN--Revolutionary Ethiopia this morning signed an agreement under which it will receive a loan of \$50 million from the CSSR. Czechoslovakia is providing this long-term loan under a protocol signed earlier by the foreign ministers of the two countries during the fourth session of their economic, scientific, technical, and trade cooperation joint commission. The agreement was signed by Comrades Bekele Tamirat, deputy finance minister and (Josef Koshi), a director of the CSSR Foreign Ministry. Under the agreement, the money will be used to establish polyester textile factories, pipe assembly plants, meat and meat (packing) industries; and to update and expand the Addis Ababa slaughter house, Addis tires, plastic and rubber shoe factory, and the tannery in Mojo. A statement from the Finance Ministry says the money would also be used to set up joint projects and various research activities. [Text] [Addis Ababa Domestic Service in Amharic 1000 GMT 11 Jan 86 EA] 12624

CSO: 3400/863

SOUTH AFRICA

FCI CHIEF PLEADS FOR POLITICAL REFORM

Johannesburg THE STAR in English 7 Jan 86 p 12

[Article by Stan Kennedy]

[Text] South Africa's critical situation cannot be remedied without a convincing plan for economic reconstruction, backed by credible political reforms, says Mr John Wilson, president of the Federated Chamber of Industries (FCI).

An integrated economic and political strategy for change would serve as a rallying point for South Africans and a framework for conditional support to be given for black advancement by the international community, he told *The Star*.

Without this, warns Mr Wilson, the country could well become locked into a regime of low growth, high inflation, continuing balance of payments difficulties and stagnating employment opportunities.

The FCI firmly believes in South Africa's potential to regain political stability and realise its development potential by following these strategies.

But it is essential that all South Africans identify in a common loyalty to share in a more equitable and just society, with the government, business and labour finding a common basis for achieving the objectives.

Mr Wilson says the FCI has asked the government to address the structural problems which lie behind the poor growth performance of the economy. At the same time, it has urged government to implement programmes for privatisation and deregulation and to come up with a positive urbanisation strategy as new motivators for growth and development.

Despite the past difficult year, Mr Wilson says the business community is looking to 1986 as a year of opportuni-

ties as well as challenges.

"Most companies have introduced positive strategies for adjustment which will put them in a strong position to survive and respond rapidly to the upturn awaiting the economy.

"The country has come through a year of political uncertainties, township unrest, internal boycotts and external sanctions pressures.

"To the business community, 1985 will be remembered as the year in which the country lost its international credit standing and experienced plummeting rand values."

In the year just ended, harsh fiscal and monetary measures were introduced to curb over-spending and to finance government expenditure in a less inflationary way.

As a result, there was a substantial increase in the tax burden at precisely the time when most companies were experiencing a cash crunch and liquidity problems.

He says: "The increase in the tax burden is extremely worrying because of the depressing effect it will have on entrepreneurship and productive efficiency.

"It is imperative that South Africa regains its growth momentum, which has flagged in the 1980s.

"Private investment, which has stagnated for five years, must be re-ignited and productivity performance must be turned around.

"Most importantly, employment in manufacturing must rise to reverse the declining trend so that the sector can make a positive contribution to solving the structural unemployment problem of the economy."

SOUTH AFRICA

SEIFSA SFES NO EARLY TURNAROUND

Johannesburg THE CITIZEN in English 7 Jan 86 p 18

[Article by Madden Cole]

[Text] THE steel and engineering industries do not expect any meaningful turnaround in their overall performance until late 1986 at the earliest.

In its latest review, the Steel and Engineering Federation of SA (Seifsa) says the strong recessionary conditions now entrenched in the federation's manufacturing sectors, were further aggravated by the current conflict situation in South Africa.

Seifsa points out that physical volumes of production in the metal and engineering industries are estimated to have declined by about 6,4 percent for 1985 compared with 1984 and by some 17 percent when compared with peak production levels in 1981.

According to the review, major drops in output for 1985 will be recorded in the automotive industry, 30 percent, machinery sector, 22 percent, transport equip-

ment, 20 percent and electrical machinery, 13 percent.

But these drops in output are likely to be offset by stepped-up export efforts in the iron and steel basic industries, including the ferro-alloy industry Seifsa says.

Employment statistics further confirm the continuing downturn in the metal industries. A drop of more than 6 percent in the scheduled labour force, equivalent to a loss of about 23 000 jobs during 1985, was recorded.

Primary steel producers expect domestic demand to decrease by about 22 percent for 1985 with substantial drops in sales to the automotive industry, South African Transport Services, the domestic electrical appliances industry and the heavy and constructional engineering sectors.

But Seifsa points out increased export volumes, targeted at 2,5 million, are expected to offset reduced domestic demand for steel products

and contribute towards a relatively satisfactory year-round capacity utilisation." Some revival in domestic demand is expected too by the middle of 1986.

The export-intensive ferro-alloy industry again experienced good trading conditions in 1985 and the estimated output at 1,6 million tons, is up 8,5 percent on 1984. Demand for ferro-chrome and manganese alloys however is expected to drop this year with some weakening in prices.

Other areas included in the Seifsa review include the metal fabricating and engine ring industries which experienced stringent conditions last year and expect little increase in demand before the final quarter of 1986.

The shipbuilding industry expects no change this year to its current strongly depressed conditions while business conditions in the electrical machinery sectors were at depressed levels last year and no correction to these levels are expected in 1986, Seifsa says.

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SOUTH AFRICA

DE BEERS DIAMOND SALES REPORTED

Johannesburg THE CITIZEN in English 8 Jan 86 p 20

[Article by Madden Cole]

[Text] SALES of rough gem and industrial diamonds by De Beers Central Selling Organisation (CSO) for 1985 amounted to \$1 823-million (R4 027-million) which is 13 percent higher in dollar terms and 75 percent higher in rands than in 1984.

In a De Beers Press statement released yesterday, it is pointed out that sales in the second half of 1985 amounted to \$986-million which is 18 percent higher than sales for the first half and 48 percent higher than the second half of 1984.

Expressed in rand terms, second-half sales amounted to R2 351-million which represents an increase of 40 percent over the first half of this year and 109 percent over the second half of 1984.

The results confirm that De Beers' stockpiling policy has paid off. The company has been withholding unsaleable stones from the market since 1980 and has been buying surplus diamonds in Antwerp and other centres.

With supplies tight, stocks at the cutting centres have been falling as a result of increasing demand. Sales of a wide range of diamonds have improved considerably and there has been a noticeable increase in the sale of larger stones as well.

Other factors for increased confidence in the CSO and cutting centres are that the reasons for the comparatively depressed market in 1984, namely, the strength of the dollar, high interest rates and the dumping of polished diamonds on the international market by the Russians, have largely fallen away.

The value of the dollar is dropping, interest rates worldwide have fallen and the Russians, who are expert marketers, now seem to realise the vital need for orderly marketing of diamonds and the value of the CSO.

It is generally believed that if the dollar continues to fall and international inflation increases, De Beers should continue its upward trend of 1985, this year.

Although results of Christmas sales are not yet available, indications are that sales reached record levels. Much of this can be attributed to De Beers' highly successful international advertising campaign, the "Quality Campaign" which stimulated demand.

De Beers starts off the New Year in a much stronger position than it did last year.

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SOUTH AFRICA

AFROX DIVERSIFICATION STRATEGY PAYS OFF

Johannesburg THE STAR in English 9 Jan 86 p 16

[Article by Michael Menof]

[Text]

Until the end of the '70s, Afrox had a somewhat pedestrian image.

It had always been profitable but it lacked adventure. Then it decided to diversify into the hospital industry.

Not only did it purchase leading hospitals but subsequently the group is seeking the continuous enhancement of facilities in all hospitals to meet the highest possible professional standards.

Almost 20 percent of the group's profits today are derived from the hospital division which employs 2 001 people out of the group's total of 5 705 employees.

This diversification has played a major part in the group's growth during the current decade.

Afrox is owned 60 percent by the BOC group which operates in some 50 countries throughout the world with the holding company incorporated in the UK.

With its impressive results in the last five years it is doubtful whether the holding company would ever support disinvestment. In addition the group's philosophy is to plough back profits and not milk the reserves by paying high annual dividends.

Everything went well for Afrox in 1985 with turnover, profit before tax, earnings per share and dividends all being the highest during the 80s.

The trading results were impressive with turnover up 17,5 percent at R337,1 million (1984 — R286,9 million), and trading profit including the associated companies share of profit up 29,6 percent at R53,02 million (1984 — R40,9 million).

Unfortunately with net interest paid virtually doubling at R14,7 million (1984 — R7,7 million) and taxation of

R16,3 million, effective rate 42,6 percent (1984 — R13,62 million, effective rate 41 percent) the profit attributable to shareholders ended at R20,23 million, only 9,5 percent up on 1984's R18,5 million.

Earnings per share were 69,33 cents (1984 — 67,71 cents) with dividends per share 40 cents, slightly up on the 39 cents in 1984.

In his final year as chairman of the group, Mr JB Sutherland was well satisfied with the past year's performance. After 28 years continuous service he had seen it come a long way.

Despite the gas market contracting significantly resulting in substantial excess production capacity Afrox exceeded budgeted performance goals.

Faced with depressed conditions in the engineering and allied industries the group's welding division produced an excellent set of results.

More facilities

But the rising costs of imported materials and finished products will have a major impact on the welding industry in 1986. The hospital division is expanding with the purchase of the Entabeni Hospital in Durban giving a foothold in Natal.

Refurbishing and extension of facilities at hospitals is proceeding, in particular at the Brenthurst Clinic, Johannesburg, and Eugene Marais Hospital, Pretoria. Acquisitions are not only confined to hospitals. During September a pharmaceutical service company, Home and Hospital Dispensaries, was purchased. This company operates the dispensaries at a number of private hospitals throughout the country.

Unfortunately Nicoweld suffered with the decline in the motor industry especially in the second half of the year while Dowson and Dobson, engaged in the handling of fluids, primarily water and effluents, in the public, agricultural and industrial sectors, suffered a poor year with the major cuts in public sector spending.

To remedy this position Afrox has decided to reduce the size and spread of the company with a staff cut from 380 to 250, while the marine division was sold. Branches in Pretoria, Klerksdorp, East London, Upington and Potgietersrus have been closed. The rationalisation is expected to produce improved results for Dowson and Dobson, in 1986.

The only blemish in the otherwise good report was the unsettled litigation for the amount of R11,6 million outstanding on the purchase of Dowson and Dobson's Krugersdorp works by Klockner-Becorit Coalequip. Both sides appear to think they have a good case.

Regretfully the annual report gives very little information for shareholders to determine the likely outcome of the case. Coalequip stopped paying the instalments and is claiming a reduction in the purchase price while Afrox has dug in its heels and is claiming the contract balance. Legal expenses might be the winner and the income statement the sufferer.

Tax is unacceptably high and is a major disincentive for the management and entrepreneurial segments of the population at a time when the country needs their enthusiastic participation most.

Training tax concessions

Afrox also feels strongly that the government has decided to limit the tax concessions for in-service training at a stage when the country badly needs this incentive.

During the past year the company claimed R1,8 million in tax concessions for training. Following the change in legislation placing a limit on the concession for salaries for trainees, in future this amount will probably be smaller.

The divisional review was boring with much waffle. Problems, strategy and profit contributions from each would have been worthwhile and made for better reading.

The balance sheet numbers are conservative and impressive. The group's approach to inflation accounting includes depreciating fixed assets on their revalued worth.

This had a R5,1 million (1984 — R4,6 million) additional depreciation effect on group profits and on earnings per share as the revenue authorities do not allow excess depreciation for tax purposes.

Net interest expenses have nearly doubled to R14,7 million (1984 — R7,7 million) with rates remaining extremely high throughout the year. As older lower interest loans mature they are replaced at greater cost.

Total borrowings both long and short-term are slightly up at R85,5 million (1984 — R78,2 million). If the R11,6 million litigation claim was in the bank it would make a big difference to this amount and to interest expense.

Shareholders' funds have for the first time topped R200 million ending at R215,5 million while the working capital position and ratios show adequacy and strong financial management.

This is a fine group whose conservative approach has weathered the recession storm to show an increasingly strong position and results during the past five years. Its hospital interest holds exciting prospects and management has demonstrated its ability.

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SOUTH AFRICA

BRIEFS

STRUCTURAL STEEL PLANT--Steinmuller Africa has established a R15-million joint venture to produce structural steel at a new manufacturing plant claimed to be the most advanced of its type in the world. The new company - Steinmuller-Lavis Structural Steel (Pty) - is wholly owned by Steinmuller Africa (51) percent and Stahlbau Lavis of Offenbach, West Germany (49) percent. A top German management team headed by general manager Friedrich Kreutzberg is running the computer-aided plant at Chamdor, near Krugersdorp. It has a capacity of 15 000 to 20 000 tons a year. Kreutzberg describes the fabrication plant with its machinery as the most advanced of its type - "not only in South Africa but anywhere in the world." On-line CNC machinery ensures pinpoint accuracy in the fabricating process and computerised nesting results in far less offcut wastage than is traditionally the case. The new company was formed to fulfil contracts for the power station work gained from Eskom by Steinmuller. Once work starts at Majuba, Steinmuller-Lavis will supply about 50 000 tons of structural steel for the power plant's boiler support structures, platforms and stairways. [Text] [Johannesburg THE CITIZEN in English 3 Jan 86 p 22] /13104

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